Six Pages of Mining News in This Issue

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The Nation's Business

Sales Tax Scandal to be Cleaned Up

Euler Takes Another Step Forward

Concerning Criticism of Senator Webster

Sees Preference Growth

HON. W. D. EULER is giving business men much encouragement these days. After introducing legislation to reorganize the customs service and to introduce business efficiency into the collection of customs, excise and income tax revenues, and announcing some excellent appointments in his new Department of National Revenue, he has taken a further step to remove a cankerous growth from the business of the country. Sales tax in the future will be collected without fear or favor, is the substance of Mr. Euler's announcement, and if Mr. Euler's new department heads carry out this policy in the spirit that Mr. Euler has enunciated it, Canada should see an end to the present scandalous condition of laxity and discrimination in collection of this tax.

* * *

THE new policy means much to Canadian business and is a direct result of recent sensational exposures in The Financial Post of favoritism extended by the department to sharp and designing firms throughout the country. It was shown by The Fincial Post, in a series of articles, that hundreds of firms were in arrears in their sales tax payments; that the department was entirely lax in collecting the sales tax or powerless to enforce its own regulations; that scores of firms had gone into liquidation, owing the government money that could never be collected; and that this situation was seriously handicapping honest firms that were paying their sales taxes promptly.

Newspapers throughout Canada took up the fight to have the situation remedied and reprinted or commended The Post's articles.* The matter has come up in the House of Commons. It was raised last week when C. H. Cahan, and others referred to the sales tax arrears. At that time Mr. Euler was somewhat guarded in his reply but hinted that some change was coming. This week he made it clear that he would stand for no more fooling with the sales tax. He announced that the Government intended bringing down legislation this session to secure power to charge interest on overdue payments of sales tax. He also announced in regard to current taxes "that very definite instructions had been issued that henceforth all current taxes must be collected by a certain date." Mr. Euler assured the House, "that in future there will not be any accretion to the present arrears."

* * *

HON. R. B. BENNETT (Conservative, Calgary West) drew attention to the fact that many millions of dollars of taxes are in arrears, some extending over a period of time. This, he said, lends itself to very great abuse, adding, "Once you lay down a fixed and settled rule that if taxes are in arrears beyond a given date certain results will follow, then you attain the object you have in view." He asked the minister to make a declaration that conditions which had led to arrears of taxes would be put an end to.

Mr. Euler said that one of the difficulties in the prompt collection of the sales tax had been the fact that the Government had no power to charge interest on overdue payments, due to a mistake in the drafting of the original act. He observed that power existed to collect interest on overdue income tax, and added with respect to the sales tax:

"This omission is to be rectified by legislation in the present session, and I think it will be a very powerful incentive for the prompt payment of the sales tax. Under present conditions, many of these defaulters have practically made the Government their bankers, withholding payment of their sales tax and thus keeping that money in their business free of interest. We are making every effort to collect the tax."

He continued by stating that it was difficult to put every account for arrears into the hands of the law for collection, but that his department was doing this, so far as was possible, though in many cases it was inadvisable to take this course, in the interest of the Government itself.

"However, so far as the future is concerned, I can assure the House that there will not be much of an addition made to the present arrears of sales tax," he concluded.

* * *

IN HIS new policy, as in all the other changes, he has made in the administration of the collection of national revenue, Mr. Euder will have the backing of every sincere Cana-

(Continued on page 25)

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*See Issues of February 4 to 18, 1927.

NEGOTIATING FOR SALE OF ARCADE, HAMILTON STORE

Pres. Whelan Announces to 2,200 Shareholders Deal is Pending

PROPERTY APPRAISED

Assets on Balance Sheet Appear at Actual Value While Cash Position Improves Somewhat

Negotiations are under way for the sale of Arcade, Ltd., Hamilton department store, as a going concern. This announcement has been made to shareholders in the company, but it was added that the negotiations had not reached the stage where a definite announcement could be made.

J. P. Whelan, president of Arcade, Ltd., stated at the annual meeting that he would resign at the end of the current fiscal year if a marked improvement in conditions was not evident at that time.

The nature of the transaction contemplated is not known, although there are rumors that another department store merger is possible.

Has Many Shareholders

Arcade, Ltd., has about 2,200 shareholders, 1,700 of whom own less than 100 shares each of the par value of $5. Dividends were paid half yearly for seventeen years, but the depression which affected Hamilton made it necessary for the company to pass its dividends three years ago and none has been paid since.

The balance sheet distributed to shareholders in advance of the annual meeting was as follows:

ASSETS	
Land & Buildings	$1,147,185.62
Fixtures and Machinery	202,120.91
Inventory Mdse. & Supplies	348,322.83
Payments in Advance	18,948.51
Cash Surrender Value Insur.	10,027.16
Cash Securities & Bank Deposits	114,680.66
	$1,841,285.69
LIABILITIES	
Capital Stock	$1,147,566.51
Bond Mortgage	445,000.00
Bond Interest Accrued	13,451.65
Property Depreciation	54,272.25
Fixture Depreciation	70,062.68
Accounts Payable	24,598.30
Bills Payable	9,841.80
Shareholders' Deposits	23,096.14
Reserve	53,396.36
	$1,841,285.69

Wrote Down Merchandise

Last September, the company had an appraisal of the merchandise on hand with the result that values were written down 8 per cent. An appraisal of the land, buildings and fixtures showed that these were worth the book value placed on them.

"The writing down of inventory," reads the president's statement to shareholders, "together with the loss entailed at Brantford and a small operating loss, have brought our reserve account lower than we could wish, but there is no gainsaying the fact that the change, which is more apparent than real, is for the better in that we have now an absolutely correct valuation of our assets."

Increase Cash on Hand

"Profits depend entirely upon the volume of sales," continues this statement, "compared with overhead charges, speedy turnovers of merchandise, with a lower percentage of markdowns, clever merchandise selections on the part of department buyers and the faculty of seeing that nothing becomes buried or remains too long on the shelves. Our cleaning-up process will certainly make a bulk sale easier to effect, and will help to insure our sales in the regular course of business.

"A comparison of the enclosed balance sheet with that of last year will show that in the cleaning-up process we have decreased our inventory by $120,598, decreased our accounts and bills payable by $32,729, and have increased our cash on hand and other securities by $45,188."

The total amount of bills and accounts payable, including shareholders' deposits and bond interest accrued, is only $70,987, while the cash on hand, Arcade bonds and other as-

(Continued on page 4)

Forecast Action Mexican Power

Although no formal announcement has been made, recent advances in the prices of both preferred and common of Mexican Light, Heat & Power Co., indicate that something will be proposed soon to deal with the arrears of dividends on the preferred. This action naturally will improve the position of the common.

The preferred of this company, a subsidiary of Mexican Tramways, has advanced from 77¼ on January 27th to par on February 24th. On that date 25 shares were traded at 100 and 25 at 98. The common has advanced from 27 on January 7th to 42½ on March 10th. No dividends have been paid on the preferred since June, 1914, and none on the common since 1913.

Stabilization of the Mexican government has been the primary factor in improving the position of the Mexican utilities.

Sun Life Stock Bid Up to $1,000 Share

Many stocks have had sensational advances but there is but one that has risen 500 points in three months. This week $1,000 a share was bid for the stock of the Sun Life Assurance Co. The return on the investment at this figure is less than 2 per cent., but the Sun Life has made such extraordinary progress in the past two or three years that intending purchasers are willing to forego a normal rate of interest for the satisfaction of owning shares in one of Canada's greatest enterprises.

Salesmen Offer Algoma Bonds at $50 Over Market

High-pressure salesmanship is attempting to unload bonds of the Algoma Steel Corp. on investors throughout Canada. The 5 per cent. bonds, due 1962, issued in denominations of £100, were offered to readers of The Financial Post at $200 each, "all expenses paid."

One reader of The Financial Post took the precaution to telegraph for an opinion as to this offer. The answer sent at his request read as follows:

"Price of Algoma Steel fives to you is more than $50 above the market. One Toronto broker offers these bonds at $148.75 each, including commission."

Salesmen for these bonds apparently are stressing the fact that they carry the guarantee of the Lake Superior Corp., holding company for Algoma Steel. This guarantee does not make the bonds much better so long as Algoma Steel is the principal asset of Lake Superior Corp. As the prevailing price indicates, the bonds are highly speculative.

Newsprint Sales Merger Making Good Progress

From Our Own Correspondent.

MONTREAL. — It is understood that the negotiations now underway leading to a merger of the sales organizations of more than 50 per cent. of the Canadian newsprint companies are making excellent progress. The companies which it is understood will play a part in the final picture will perhaps include: St. Maurice Valley, Spanish River, Port Alfred, Abitibi, Manitoba, Laurentide, Price Brothers, Ste. Anne Paper, Fort William, Escanaba, Beaver Wood Fibre, Canada Paper and Belgo Canadian.

It is understood that the plans call for the creation of a gigantic sales organization which will handle the sales of all these companies. They produce considerably more than 50 per cent. of the total newsprint output of the Dominion. The individual companies in the association of sales effort will receive stock in a new sales company in proportion to the output of the individual mills.

The move is considered to be a constructive one in investment circles. Two great benefits are achieved in this fashion. First, the possibility of any cut in the price in newsprint is made the more remote, if not entirely removed, and second, the effects of surplus production in the future will be evenly distributed over a large number of mills.

C.P.R. "RIGHTS" TO NEW SHARES VALUED AT $10

Issue of Shares May Mean One New Share for Five Held

MONEY FOR EXPANSION

Company Has Big Programme for Development Planned That Will Take Much Money

From Our Own Correspondent.

MONTREAL. — At the conclusion of the annual general meeting of the shareholders of the Canadian Pacific Railway on May 4, the stockholders will be asked to authorize the issue of an additional $75,000,000 in common shares. The new stock is to be issued at the discretion of the directors.

As C.P.R. is now selling in the neighborhood of 190, the new stock might be issued at, say, $150 per share to the present shareholders, thus netting the company a total sum of $122,000,000. Probably though the full $75,000,000 of new common will not all be issued immediately.

If the present shareholders be given the right to subscribe for new stock at $150 on the basis of one new share for every four outstanding, this would call for the issuance of $65,000,000 of new stock and net the railway $97,000,000. This would appear to be somewhat in excess of its immediate requirements. So that it can be presumed that when new shares are offered to the shareholders at below prevailing market levels the ratio of the new shares to those presently outstanding will be somewhat smaller than one for four.

For General Purposes

When the directors finally authorize a new issue of some of the $75,000,000 of new stock, the proceeds of the financing will be utilized for the general purposes of the company. The railway has a wide variety of undertakings on hand, including the building of ocean steamships, the erection of hotels and some additional branch line expansion. Presumably the financing will be used to take care of these various expansions.

The C.P.R. has not issued new common stock since before the war. The last issue of common totaled $60,000,000 and was subscribed for at $175 per share in 1913.

During the war and after the company made provision for its capital requirements through the sale of 4 per cent., preference shares, collateral trust bonds, perpetual consolidated 4 per cent. debenture stock and 4½ per cent. note certificates.

In 1914 shareholders authorized an increase in the common stock capitalization of $75,000,000, but since that date the amount of stock outstanding has remained unchanged. The shareholders at the May meeting will simply authorize the directors to issue the new stock at their discretion. It is thought that the "rights" to the new issue of stock will amount to around $10 per share on the stock now outstanding.

Plan Sweeping Changes in Insurance Premiums; Now Seek Legislation

A general revision of the premium rates on life insurance policies and a removal of the handicaps which now hold back the smaller Canadian life companies, is forecast by the draft amendment to the Canadian Insurance Act which was sent to the Canadian life companies this week for approval.

The amendment as it now appears, wipes out the old mortality basis upon which actuarial reserves have been calculated since 1911, and allows the companies to bring their mortality tables ahead forty years to conform with present-day actuarial experience. The old tables now in use are based on the mortality experience of British males during the period from 1863 to 1893, whereas under the new amendment the Canadian life insurance companies operating in Canada can now use the tables showing Canadian experience from the years 1900 to 1914, which were published in 1918. An even more obsolete table which can now be discarded, is the mortality experience of Britsh males from 1833 to 1863, which is at present used as a basis for premium rates by many Canadian companies.

Relief for Young Companies

The clauses in the amendment which provide relief for young companies is the provision that during the first years of a policy, reserves, instead of being calculated on the ordinary reserve basis, may be calculated on the basis of an ordinary life term policy.

This sweeping change which has now only to be formally ratified by the Canadian life companies and passed by the government at Ottawa, is the result of a campaign that has been going on in Canada since 1918. In that year, the C.M. (Canadian Male) table was published, which gave the actuarial experience of Canadian mortality for the 15-year period from 1900 to 1914. The table was not used at that time, however, because it was feared that the catastrophies of the Great War and the influenza epidemic might change considerably Canadian experience.

During the last ten years, life insurance actuaries have been studying this table with great care, and the proposed changes are the result of their deliberations during the last five or six years.

Lower "Non-Par" Rates

The outstanding effect upon existing insurance rates will be on non-participating premiums during the earlier years. The experience of the last quarter-century has shown that

(Continued on page 16)

New Blood Offers to Buy Sawyer, Massey Co.; Would Exchange Shares

Bradshaw, Gundy Paper Profits Are Now $17 Share

With Massey-Harris common selling on the Toronto exchange at around 117 (117-7/8 was the close Wednesday) the syndicate which acquired the Massey Foundation and other estate shares a few weeks ago have a good paper profit. It has been revealed that the price paid by Messrs. Gundy, Bradshaw and associates was $100 (par) for the common and $105 for the preferred. It is believed that this syndicate acquired something like 34,000 shares of the common.

The new shares, which are to be issued in multiples of four in exchange for the old common of $100 par value, are being quoted on the unlisted section of the Toronto board at above 29.

NEW PREFERRED OF GUNN'S, LTD. BEING CALLED IN

Stock Issued Only Few Weeks Ago Being Redeemed at $103.50

New preferred shares in Gunn's Ltd., issued less than six months ago, have been called for redemption at $103.50. Payments are now being made by the Chartered Trust & Executor Co., Toronto.

Calling the preferred shares in the new Gunn's Ltd., is understood to be preparatory to the organization of another new company to take over the business. The Harris Abattoir Co. three weeks ago guaranteed the bills payable of Gunn's Ltd., preliminary to assuming a substantial interest in the formerly competitive packing business.

The financing of a new Gunn's Ltd. will be largely in the hands of interests identified with Harris Abbatoir, it is understood, with the preferred shareholders in Gunn's Ltd. nowhere in the picture, so far as has been revealed. While the two businesses will be conducted separately, as heretofore, it is understood that the Harris Abattoir system of accounting and management is being installed at Gunn's, Ltd., both at West Toronto and Harriston.

Agree to Change

Reorganization of Gunn's, Ltd., was considered to be necessary because Armour & Co., in liquidating the estate of Morris & Co., were pressing for payment of $250,000 loaned to Gunn's, Ltd., several years ago. There were said to be other pressing obligations. Frederick Lucius, of Montreal, last fall obtained an injunction restraining the company from going ahead with the reorganization proposal made at that time, on the ground that it ignored the rights of preferred shareholders.

Late last year, the shareholders of Gunn's, Ltd., were induced to agree to a reorganization under a new corporate name. Under this plan the old preferred shareholders were given one new preferred share for each three of the old held. The common stock of the old company was wiped out and it was agreed that the common in the new company would be left in the treasury in order that it might be used in connection with the reorganization.

Act Soon on Redemption

Preferred shares in the old company were in arrears of dividends since 1921. Owing to the company's inability to live up to the provisions surrounding the preferred stock, preferred shareholders had voting rights equal to those accorded the common.

The old preferred was callable at 110 and accrued dividend. Thus, under the old charter, it would have required approximately $450 to call the preferred which is now called at $103.50. The new preferred, under the charter obtained last fall, was callable at par and accrued dividend.

Deny That Canadian Packing Co. is Sold

Report that Canadian Packing Co., formerly Matthews-Blackwell Co., and now a subsidiary of Allied Packers, Inc., Chicago, was about to be sold to Canadian interests is denied emphatically by a responsible official of Canadian Packing Co.

It was reported that T. A. McAuley, president of Arnold Bros., was to be the purchaser. Mr. McAuley denies that any such purchase is considered.

The rumor had it also that Arnold Bros. meat department desired a definite packing conection. The rumor stated that the meat department of Arnold Bros. had not been doing so well since George Arnold ceased to do the buying. It is asserted, however, that the meat department of Arnold Bros. has been showing increased profits since the company ceased to do its own meat buying and killing.

Organizers To Put $600,000 Cash in Business if Deal Ratified

OPERATING DEFICIT BIG

No Dividends on Preferred Since 1914; Purchase Price Will be 16,500 No-par Common

Shareholders of Sawyer-Massey Co., Hamilton, will be asked at the annual meeting next month to approve of the sale of the company to a new company, the consideration to be 16,500 shares of no-par common stock of the total of 50,000 shares to be issued.

Identity of the group planning reorganization of the business is being kept secret pending action of the 600 or more shareholders of Sawyer-Massey Co. It is understood, however, that the new company will be somewhat closely affiliated with a concern manufacturing heavy-duty gasoline motors suitable for installation in the tractors manufactured by Sawyer-Massey Co.

If the deal is ratified by the Sawyer-Massey shareholders, the new company will endeavor to expand the business along the lines pursued in recent years, with concentration on road machinery, in which there is a good profit, and on threshing machines and tractors. The Sawyer-Massey thresher is considered as good as any in the market.

To Put in Cash

The new company will put $600,000 cash into the business. This sum will be the proceeds of a first-mortgage fifteen-year, 5 per cent. bond issue to be secured by the assets to be acquired. The existing Sawyer-Massey bonds, dated 1912 and due April 1, 1927, have all been retired except bonds to the face value of about $70,000 and of this amount about half is on hand. The original issue was for $800,000.

Bank loan and all other liabilities of Sawyer-Massey Co. will be assumed by the new company along with the assets. Assets include the trade name of considerable value in the agricultural and road-making machinery trade and the plant at Hamilton, which totals 224,403 feet of floor space on twelve acres of land.

Liabilities of Sawyer-Massey Co. which would have to be met before there could be any distribution to shareholders include the bank loan of $1,893,000, secured under the bank act and specifically by $2,000,000 of 6 per cent. debenture stock held as collateral, and bills payable to the amount of $49,000.

Preferred in Arrears

Outstanding stock of Sawyer-Massey Co. is 15,000 shares of 7 per cent. cumulative preferred, $1,500,000; and 15,000 shares of common, par value $100, $1,500,000. Thus it appears as if it is contemplated to give preferred shareholders one share of the new no-par common for each preferred share held, and the common shareholders in the old company one share of new no-par common for each ten shares of old common of the par value of $100.

Preferred dividends of Sawyer-Massey Co. are in arrears from June 1, 1914. The last recorded trade in these shares was March 9th, when twenty shares were bought for $6 the share. There have been no recorded sales of the common in the last two years, when occasional blocks changed hands at $1 the share. Both stocks are listed on the Toronto stock exchange.

Sawyer-Massey Co. has been encountering serious financial difficulties for more than a decade. The last

(Continued on page 16)

Investor's Index

Abitibi 6-12
Algoma Bonds 1
Alta. Pac. Grain 11
Amer. Sales 4
Anglo Nfld. 8
Arcade, Ltd. 1
Atlantic Sug. 11
B. A. Oil 11
B. C. Elect. 11
B.C. Fish 4
B. E. Steel 11
Besco 25
Brazilian 27
Can. Canners 11
Can. Nor. Pwr. 8
Can. Packing 1
Can. Celanese 8
Cons. Gas 8
Cosgrave Brew. 11
C.P.R. 1-13
Gunn's, Ltd. 1
Goodyear Tire 4
Gosse Pack. 11
Hillcrest Coll. 11
Holt Renfrew 3
Imperial Oil 11
Inter. Nickel 11
Inter. Paper 6
Inter. Water 12
Lake St. John Pap. 6
Maple Leaf Mill 11
Massey-Harris 1
Mex. Pwr. 1
Mtl. Trans. 8
Port Alfred 6
Pt. Hope San. 23
Que. Power 8
Sawyer-Massey 1
Spanish River 11
St. Lawr. Pulp 6
St. Maurice 6
Sun Life 1

MINES

Amulet 22
Andean 21
Area 22
Argonaut 18
Barry Hollinger 18
Boischatel 17
Buckingham 20
Central Man. 17
Conroyal 21
Corona 20
Dome 17
Don Rouyn 22
Eldorado 17
Granada 22
Grazelle 17
Hecla 21
Howey Gold 17
Keeley 17
Laurier 21
Ont. W. Lake 20
Paymaster 21
Potter Doal 21
Power and Mines 21
Stadacona 20
Towagamac 17
Vipond 17

Background of Canadian Business

By JOHN R. LANGDON,
Business Editor, The Financial Post.

WEEKLY REVIEW OF CONDITIONS

Good Business Looked for in Months Directly Ahead
Indices of Trade Activity Generally Favorable
Merchandise Distribution Continues on Large Scale
Decrease in Newsprint Output Expected Shortly
Heavier Car Loadings Reflected in Railway Earnings

PROSPECTS are that business will continue to be good in the months directly ahead. At the present time favorable symptoms are more numerous and more impressive than the unfavorable ones. The increase in the number of business insolvencies during January is the only adverse sign to date. On the other side of the ledger, we have a very substantial increase in construction, higher ratio of employment, car loadings on the upgrade, a healthy increase in bank debits and marked improvement in various other indices of business activity. The larger output of motor vehicles, as compared with the opening months of last year, has had a beneficial effect on allied industries. The iron and steel plants have not done as well as expected, but immediate prospects are favorable.

Buying Power Strong

The purchasing power of the individual is still as pronounced as it was a year ago. This is largely due to the smaller contraction of employment in seasonal occupations, and the relative stability of wholesale prices and the cost of living. Since September last, commodity prices have not moved more than two points. From the beginning of 1922 to the end of January last, the index number of cost of living has ranged from 162 to a low of 153 and back to 158. Wages are also good. Attention has been drawn in these columns from time to time, to the fact that wages are on a higher level at present than cost of living and consequently the workers' position is better than it was in the period from 1913 to 1920.

Mercantile Reviews Favorable

Reviews of mercantile trade concede a movement for the better, and while a few districts have not come up to the average, the situation is more favorable than at this time a year ago. Buying for present requirements is still the general rule, but the aggregate volume of new orders shows a healthy increase. On the surface, therefore, it appears that no great change has taken place in the past couple of months. It is still too early to make any predictions, but in view of the lack of any unfavorable developments of major importance, the situation is encouraging. Results of the past two months might very well be taken as an indication of what may be expected during the balance of the year.

Under present business conditions and practices, it is difficult to portend with any degree of accuracy the next turn of trade activities. Indices which in the past have enabled experts to forecast business some time ahead, have been found unsuitable and new indexes are being devised to fit the present situation. In the next two or three weeks, there should be some definite signs as to the volume or trend of business during the summer months. This is the period of the year when spring operations get under way and manufacturers "step up" production.

Railway Traffic Increases

Of the report on railway traffic for the week ended March 5th, it may again be said that car loadings continue to register substantial increases, not only as compared with the previous week but also as against the corresponding seven day periods of last year. Merchandise and coal loadings feature reports, these two divisions accounting for the major increases. Grain and grain products, pulpwood, livestock and miscellaneous groups have also recorded increases in aggregate loadings since the beginning of the year to date, as compared with the same period last year. On the other hand, decreases have been registered in loading of coke, lumber, pulp and paper, other forest products and ore.

The most significant feature of revenue freight this year is the decrease in pulp and paper, while pulpwood loadings have increased. It is reasonable to infer that the fear of overproduction of newsprint, has caused the producers to limit output in order that present values may be maintained. Thus an outlet has to be found for the large cut of pulpwood and the nearest and most favorable market being that of the United States, shipments to that market have naturally increased. Thus it may be expected that loadings of pulpwood will continue to be heavier than last year until such a point is reached when the market can absorb the Canadian output of newsprint.

The heavier movement of freight has naturally had a beneficial effect on railway earnings, which in turn have resulted in announcements by the Canadian Pacific and Canadian National railways to the effect that several millions of dollars will be spent this year on maintenance, equipment, buildings, etc. This has strengthened the feeling of confidence in present business activity and has resulted in heavier commitments by other companies.

There is no change in the political situation of any account. The members of the Federal House have been devoting their attention to private bills since the budget was disposed of and it is unlikely that any important measures, aside from the Duncan report, will be considered at the present session. Thus the absence of any proposed legislation, affecting business one way or the other, has cleared the way for a number of development enterprises, which have been on tap for some time. These include pulp and paper, water power and other projects, more or less closely connected the exploitation of natural resources.

British Columbia Undertakes Extensive Highway Program

One of the most extensive highway programmes yet devised by the provincial government, will be undertaken in British Columbia this year, according to an announcement by the minister of public works. Some of the principal undertakings will be the replacement of old bridges and building new ones at a cost of $1,250,000; completion of the Cariboo road from Lytton to Spences Bridge; improvement of the road from Spences Bridge all the way to Salmon Arm to form the new trans-provincial highway; and the elimination of practically all level railway crossings on the Cariboo road.

In addition there will be considerable roadwork done in the southern part of the province, particularly in connection with the trans-provincial highway. Several highways are scheduled for completion this year, while a number of others will be extended and put into shape for light traffic.

In regard to the needs of northern districts, the Minister stated that it would be impossible for some years to complete the road from Terrace to Prince Rupert. About 94 miles there, between the coast and the interior involved road building of the most expensive character, he said. Meanwhile it was planned to arrange for the transportation of automobiles across this gap on flat cars so that there would be access between the coast and the interior.

Dollar Volume of Business in States Sets High Mark

Measured by check payments, the dollar volume of business in the United States during the first week of March was greater than in either the previous week or the corresponding period a year earlier. Wholesale prices, although slightly higher than for the preceding week continued to average lower than for the corresponding period of 1926. Loans and discounts of Federal reserve member banks showed a slight increase over the preceding week and were substantially larger than a year ago. The Federal reserve ratio, although lower than for the previous week, was considerably higher than a year ago. Interest rates on time money averaged lower than during either the last week of February or the corresponding week of last year.

Distribution of goods, as seen from data on carloadings, was greater than last year. Building contracts continued to increase and exceeded those of a year ago. Receipts of cotton, cattle and hogs at the primary markets were larger than during the corresponding week of last year, and except in the case of cattle, exceeded those of the third week of February.

Canadian Business Indicators

Compiled weekly by The Financial Post

	1927	1926	
Car loadings, week March 5	63,064	53,632+	17%
Year to date	538,544	495,185+	8%
Merchandise shipped, year to date	140,707	129,901+	8%
Grain Receipts, Aug. 1 to March 4	280,839,541	321,335,640—	12%
Price Level, February index, 236 commodities	150.1	162.2	
Pig iron output—January	51,717	56,644—	5%
Steel ingot production, January	58,551	60,536—	14%
Building permits, January (63 cities)	5,429,299	4,719,534+	15%
Bank clearings, February	1,380,494,194	1,217,595,039+	13%
Construction contracts awarded in February	19,516,700	13,477,600+	45%
Savings deposits, Jan. (chartered banks)	1,381,474,773	1,316,288,358+	4%
Current loans Jan. (chartered banks)	962,540,949	869,591,897+	10%
Business Failures, No. of firms, January	191	184	
Liabilities	2,626,291	2,388,787+	9%
Automobiles produced—January	15,376	15,479—	0.6%
Employment—February index	95.4	90.7	
Railway Earnings—January—			
C.P.R gross	14,435,369	13,470,131+	7%
C.P.R. net	1,510,234	1,801,858—	16%
C.N.R. gross	20,168,259	18,701,154+	8%
C.N.R. net	2,034,353	1,728,381+	17%
Exports of key commodities, 12 months ending January 31—			
Canned salmon, cwt.	593,328	698,656—	15%
Newsprint, cwt.	34,966,309	28,459,996+	22%
Wheat flour, bbls.	10,514,166	10,160,806+	3%
Wheat, bushels	249,488,812	229,440,513+	8%
Imports of key commodities, 12 mos. ending January 31—			
Rubber (raw, in pounds)	44,768,145	46,275,446—	3%
Cotton (in pounds)	136,759,718	125,598,579+	8%
Crude petroleum (in gallons)	681,173,293	553,680,795+	23%
Exports, 12 months to January 31	1,267,957,849	1,280,358,611—	0.9%
Imports 12 months to January 31	1,017,411,401	901,553,988+	12%
Balance of trade, 12 months to January 31	250,546,448	378,804,673—	34%
	1926	1925	
Newsprint production—December tonnage	163,177	136,983+	19%
Immigration, 11 months, to November 30	130,569	80,904+	62%
Bond sales, 12 mos.	567,341,196	496,500,000+	14%
Prices:	1927	1926	
Pig iron (Number 1 foundry) Mar. 9	24.80	Mar. (Aver.)	26.85
Cattle—Good, Toronto, March 14	7.75	Mar. (Aver.)	6.95
Wheat—No. 1, Nor. Winnipeg, Mar. 14	1.42	Mar. (Aver.)	1.48
Hogs—Select, Toronto, Mar. 14	10.50	Mar. (Aver.)	13.77

BRITISH COLUMBIA WILL TRY TO FIX PRICES FOR FRUIT

Radical Changes in Marketing System Provided by New Law

VANCOUVER.—Legislation which is a new departure in the distribution of farm produce has been passed by the British Columbia legislature.

For years the fruit growers of this province, especially those of the orchard region in the Okanagan, one of Canada's most famous apple-producing areas, have suffered from imperfect marketing conditions. They have been unable to control the sale of surplus crops to advantage and year after year there has been a market glut sufficient to cause price fluctuations disastrous to the grower. The so-called marketing control bill is an attempt to remedy this condition. The fact that it has the support of the vast majority of fruit growers indicates that the various interests which have until recently been in conflict are prepared to give the measure a trial and to see if it will bring them out of the apparently hopeless position of the past.

Board to Fix Prices

The chief feature of the new legislation is that it empowers a board representing the producers, the shippers and the government to fix prices. This is something that has never before been attempted.

There are approximately thirty-five fruit shippers in the Okanagan country and these have been organized into a federation from which one member of the price-fixing board will be chosen. The board will have power to do more than fix prices, which shall be regarded as f.o.b. shipping point. The board will require all shippers and growers to furnish detailed information regarding the volume and quality of the crop during the successive stages of the growing season, and in its turn will ascertain the facts governing market conditions, the demand in various sales territories, transportation facilities and the potentialities of competitive sources of supply. The board will then virtually dictate to shippers where they will send their consignments and the terms under which the sales will be made.

Shippers will advise the federation of all shipments, prices, consignments and turn in copies of invoices to the federation and their books to be open to the inspection of the board.

Wide Powers for Committee

The legislation is largely the result of deliberations at a convention of shippers and fruit growers in Kelowna recently, when the general principles sought were laid down as follows:

1. The committee to have jurisdiction over the distribution of tree fruit and vegetables produced in British Columbia east of and including the Lytton and Keremeos districts.
2. Standardization of trade terms, practice and claims to be one of the first questions taken up by the committee.
3. Estimate by varieties and time periods percentage of production of all commodities which may be placed to advantage on the following markets: British Columbia, Alberta, Saskatchewan and Manitoba, Eastern Canada and foreign markets.
4. Board to allot to each shipper percentage by variety of the avaliable production he may place on the above markets during specified periods.
5. Price spreads on direct shipments to jobbers, retailers and consumers to be fixed by the board.

The legislation is compulsory in that the government will withhold licenses to operate from shipping concerns who do not abide by the rules of the federation.

PRAIRIE FISHERIES ASSUME IMPORTANCE

Revenue From This Source Now Aggregates Over $4,000,000 Yearly

Aside from agriculture and mining, the importance and value of the natural resources of the Prairie Provinces have not been generally recognized. For some years, however, the fisheries of these provinces have brought in an income of between $3,000,000 and $5,000,000, which sum would probably be greatly exceeded were it not for the imposition of certain restrictions placed by the Department of Marine and Fisheries as to the size of the catch. Moreover, operations on a commercial scale are only carried on in the northern lakes, where climatic and transportation conditions have also combined to limit the extent of operations.

Despite these disadvantages, the product of the northern lakes has become widely known in the Prairie cities and in the eastern United States. The fish when caught are quickly frozen and by means of sleighs are transported to the nearest railway, whence they are shipped by express to Winnipeg, Chicago, Milwaukee, New York and other cities, where they command an excellent price owing to their superior qualities and excellent manner in which they are prepared. So far operations have been largely confined to catching whitefish, although tullibee, trout, pike, pickerel, and mullets are also handled on a commercial scale.

Production Shows Increase

Production in 1926 shows an increase in value, compared with the preceding year, of a million dollars. The marketed value of the fish caught in Manitoba waters was $2,328,803 in Saskatchewan, $444,288 and in Alberta, $749,076; a total value for the three provinces of $3,522,167, compared with $2,420,325 in 1925. The principal kinds of fish for the three provinces as a whole were whitefish, valued at $1,295,343; pickerel, $1,042,303; tullibee, $520,070; and pike, $286,590.

The following table shows how the value of the fisheries has increased in the past five years:

	Manitoba	Saskatchewan	Alberta
1922	$ 908,816	$245,337	$331,829
1923	1,020,595	286,643	438,737
1924	1,232,563	462,492	339,107
1925	1,466,939	494,882	458,504
1926	2,328,803	444,288	749,076

The capital, equipment and employees necessary for the carrying on operations is necessarily small, but in comparison with other provinces results compare favorably. The boats, nets, seines, etc., employed last year had a total value of $1,303,481, an increase over the preceding year of $214,516. Manitoba had the most extensive equipment with 21 steam tugs, 925 sail and row boats, and 74 gasoline boats, while Saskatchewan had 94 sail and row boats and 35 gasoline boats, and Alberta 130 each of sail and row boats and gasoline launches. Alberta has the largest number of ice houses, 100 all told, as compared with 84 in Manitoba and 36 in Saskatchewan. Small fish and smoke houses in Manitoba last year numbered 54; in Saskatchewan, 13; and in Alberta 59.

The number of men engaged in fishing operations was 5,885, compared with 5,098 in 1925.

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Form Curb Firm

From Our Own Correspondent

MONTREAL.—The firm of Versailles, L'Esperance and Company has been formed to deal in securities listed on the Montreal Curb Market. The new house will have a membership on the Montreal Curb Exchange and is headed by Joseph Versailles and E. J. L'Esperance, president and vice-president respectively of the well-known investment house of Versailles-Vidricaire-Boulais.

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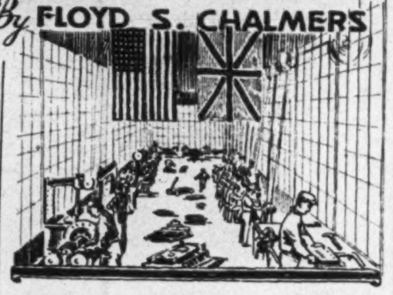
Canada and its American Branch Plants

By FLOYD S. CHALMERS



SECOND ARTICLE

Why the Movement of Plants Has Slowed Up.

"Canada does not at this time present special attraction for United States concerns to establish branch plants."

This statement was made by the general manager of the Canadian branch of a company that is the world's largest manufacturer of its line of goods, a concern that has been rated three A's in the mercantile rating books for many, many years. It has been in Canada for twenty years.

"In many lines, particularly in the fabrication of metals, too many American firms have established branch plants in Canada," this Canadian general manager of an American owned company states. "The thing has just been overdone.

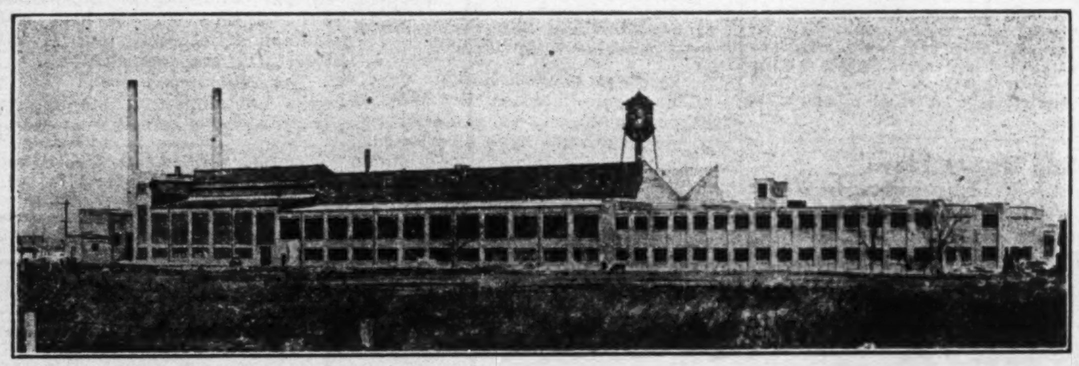
"When our own industry decided to locate in Canada in 1907, there was apparently every promise of advancing prosperity. In recent years, however, there has been a vacillating policy in regard to immigration and the customs tariff. No political party has been able to assert its dominance and give the country a fixed, consistent and continuous policy on these matters.

Declares Fixed Policies Are Need

"In my opinion, the thing that will bring hundreds of American concerns to Canada with branch factories is a fixed and vigorous policy on immigration and the tariff; the latter through a commission not colored by the prejudices of the political party that may happen at any time to be in power."

This viewpoint may strike the reader as rather gloomy and pessimistic.

Why Don't We Get American Branch Plants? Does This Show One Reason?



Because the Canadian tariff was too low to shut out glass from European countries with depreciated currency, this $2,500,000 Hamilton plant, of the Canadian Libbey-Owens Sheet Glass Company, closed its doors after a little over one year's operation and has been idle for five years.

Certainly, if he is of the view that Canada at the moment offers striking opportunities for the opening of branch plants he is not likely to accept the picture as an accurate one; he will register some mental protests.

The fact remains, however, that the number of American branch plants being built in Canada to-day is rather small; much smaller than the number that annually established in Canada, say, in the period immediately following the war.

Sets Down Five Reasons

If this is true, what are the reasons for the situation? One gentleman, who has been interested in the establishment of many such factories in Canada sets down five basic reasons why few American firms are now establishing branch plants in Canada. They are:

"Because unwarranted expansion at home, followed by industrial and commercial depression as a result of after-war conditions, have impaired their financial resources and they are not in a position to make large capital expenditures.

"Because of the instability of the Canadian government and consequently the Canadian protective tariff during the past four and five years.

"Because for various reasons, Canada's population has not grown as rapidly since the war as was expected.

"Because depreciated currency and low wages in European countries more than offset the British and Colonial preferential tariffs.

"Because industrial inactivity and general depression throughout Canada have made it appear that we already had all the industries we could support."

Gives Three Main Influences

The secretary of an exceedingly aggressive Chamber of Commerce in Ontario, covering a large industrial area thinks that the various influences adversely affecting the establishment of such plants in Canada can be summed up under three heads. These he outlines as follows:

"The political instability to which Canada has been subjected for some time past. Fortunately, it would seem now that we shall have stability in our politics for some time and this in itself will be encouragement for future development.

"A general doubt as to what the tariff will eventually be. There has been some tariff revision in the past few years and many manufacturers seem to be afraid that there may be a very marked downward revision in the future.

"The very slow increase in Canadian population which limits consumption and sales in the Canadian market."

But, says this secretary, "There seems now to be a feeling that Canada is entering a period of general prosperity and development and the time is approaching when there will be a good deal of industrial expansion of this nature."

Libbey-Owens Experience Told

Just how the tariff operates as a factor in the opening of branch plants in Canada may be well illustrated by the experience of the Canadian Libbey-Owens Sheet Glass Company, of Hamilton.

At the outset, let it be stated that some objection might be taken to calling this plant a branch plant of an American company. Strictly speaking it is not such although for practical purposes and by way of illustrating present conditions it serves us well in this discussion.

Canadian Libbey-Owens Sheet Glass Company was organized by interests associated with the Consolidated Glass Company, a Canadian company formed a number of years ago by the merger of a group of glass distributing organizations. It is controlled by the Hobbs family of Toronto. The new company built a plant at Hamilton, which was completed in the latter part of 1921. The well known Libbey-Owens glass machinery was put in the plant and, while all the capital was supplied by the Canadians involved, the American company received a large stock interest for patent rights, use of trade names, etc., and the plant was to be the Canadian counterpart of the American Libbey-Owens business. There are many such "branch plants" in Canada controlled largely in this country but linked with American organizations that are their godparents if not their parent companies in the ordinary sense.

Tariff Modest But Sufficient

When the plant was started, there was a general tariff on common window glass of 12½ per cent. and on plate glass a general tariff rising upwards from ten per cent. The scale of protection afforded was very modest but nevertheless it was sufficient to enable the plant to be operated at a profit. The plant did so operate for about eighteen months. But conditions developed that shut the doors of that plant and threw every one of its employees out of work.

Currencies in Europe, inflated after the war, began to depreciate. The franc, which was at 20 cents when the plant was opened, declined to a small fraction of that. Belgian glass makers found that the low tariff wall against glass coming into Canada was not a difficult hurdle for them to jump.

To-day, with the rate of protection absolutely unchanged the Hamilton plant can not compete against Belgian glass. The government has declined absolutely to do anything to make the protection equal to what it was before. The rate is the same but the protection is gone. And the plant is shut down; a plant that was built with the investment of $2,500,000 of money and that was for eighteen months one of Hamilton's most flourishing industries employing over a thousand men.

Larger Glass Sales No Help

There has been an increased demand for glass in Canada but the demand has been supplied by Belgium, Germany and Czecho-Slovakia. In each of these countries, workmen draw low wages that applied to conditions in their countries, are satisfactory. But when Europe's low wages are added, as a factor in international trade to depreciate currencies, the Canadian plant has not a chance of competing. It merely has to lie idle while its owners bide their time and hope that conditions will change before the machinery has rusted beyond repair.

The irony of the situation is intensified by the fact that the glass being imported into Canada from Belgium is manufactured in that country by Libbey-Owens glass making machinery, exactly the same as that installed in Hamilton at such cost.

How About British Preference?

A point may justifiably be raised at this juncture; these objections all relate to conditions in Canada itself; how about the British preferential tariff? Many branch plants have come to Canada because of the trading advantages a Canadian plant has with other British countries. Just how important is the British preference as a factor in inducing plants to come to Canada?

The question is fair and it introduces a very important subject which will be reserved for fairly thorough treatment in the next and subsequent articles.

Loan Officers Will Study Immigration

Heads of Canada's great mortgage loaning institutions will study immigration problems of Canada at their annual meeting, soon to be held. Immigration and Land Settlement will be the keynotes of the annual meeting of the Dominion Mortgage and Investments Association, comprising companies, trust companies and insurance companies, loaning on mortgage. Allied problems of rural credits will also come up for discussion not, as in last year, the predominant subject.

Hon. Robert Forke, minister of immigration will speak and is expected to make an important announcement on immigration policy. T. O. F. Herzen, general manager of the Canadian Colonization Association, will also speak.

Meeting will be held in Montreal on March 28.

The present year is expected to witness an output of automobiles going over the million mark, in the view of W. R. Campbell, vice-president and treasurer of the Ford Motor Company of Canada, Limited, who points out that last year's production ran to 819,000.

Fisheries production of the Prairie Provinces in 1926 shows an increase in value over the previous year at a million dollars.

HOLT RENFREW HAD MUCH BETTER YEAR

Earnings Equal to 16% on Common as Compared With 7% in 1925

From Our Own Correspondent.

MONTREAL.—A substantial improvement in earning power is revealed in the annual report of Holt, Renfrew and Company covering the fiscal year ending January 31, 1927. After payment of the preferred dividend arrears, the net earnings applicable to the common stock showed a substantial increase over the preceding year. The betterment is seen in the following figures which compare the income account and the working capital position figures over the past three years:

	1926-27	1925-26	1924-25
Profits	$328,658	$229,910	$176,323
Interest	47,086	45,165	49,291
Balance	$281,572	$184,745	$144,824
Depreciation	40,412	30,851	21,450
Balance	$241,160	$153,894	$123,374
*Written off	7,907	7,907	7,680
Net profit	$233,252	$145,987	$115,714
†Pfd. divs.	140,000	70,000	70,000
Surplus	$ 93,252	$ 75,987	$ 45,714
Prev. surp.	370,502	294,515	248,801
P. & L. bal.	$463,854	$370,502	$294,515
P.C. earn. on common	16.32	7.59	4.57

*—Written off alterations to premises leased and bond discount.

†—For two years ended January 31, 1927.

Working Capital

	1926-27	1925-26	1924-25
C. assets	$1,483,350	$1,391,231	$1,284,507
Cur. liabs.	51,183	75,720	65,848
Work. cap.	$1,432,167	$1,315,502	$1,218,659

Remarks to Shareholders

In his remarks to the shareholders the president states that all the company's stores experienced a considerable increase in sales during the year. A satisfactory improvement is noted in the balance sheet. Cash shows a large increase at $164,435, as do also trade accounts and bills receivable at $487,488. Inventories, on the other hand, are lower at $758,383. Current liabilities consist merely of accounts payable at $33,471 and accrued interest at $17,712.

Total assets are shown at $3,141,938, as compared with $3,082,231. Property is written down to $807,946, while goodwill remains at $772,453.

As the shares of the company are practically all closely held, transactions in the stock take place infrequently. The present statement indicates that the value behind the stock is somewhat in excess of the last market quotations. The preferred changed hands recently at 90 and the common around 43. The continued success of the company would mean the ultimate elimination from its balance sheet of the goodwill and deferred charges accounts.

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TORONTO 2

AMERICAN SALES COMMON HOLDERS WILL GET RIGHTS

Authorized Capital of Company is Increased; Rights Worth About $6.50

Announcement was made at the annual meeting of American Sales Book Co., yesterday, of an increase in the authorized capitalization of the company and of the immediate issuance of 10,000 additional shares of common of the par value of $20.

At present there is authorized and outstanding $3,073,300 of 7 per cent. cumulative preferred of the par value of $100. It is intended to increase this authorization to $5,000,000 preferred but not at this time to issue any more of this class of stock.

There is authorized and outstanding $614,660 of common stock of the par value of $20. It is proposed to increase this authorization to 50,000 shares and to issue $10,000 shares immediately.

Existing holders of common shares are given the right to subscribe for one new share of common at $50 for each three shares now held. As the prevailing market price for this common is around $70, the rights are worth about $6.50 for each share held. If the common shareholders do not subscribe to the full amount of shares now to be issued, the remainder is to be earmarked for employee subscription. Rights, or fractions of rights, are transferable and assignable.

Pay on Instalments

Shareholders are given the privilege or three methods of payment for new shares bought. If they pay cash, the price will be $50.35 for each share, representing the issued price and dividend accrued for one month to May 2, 1927. If they elect to pay by instalments of $15 per share on May 2, $15 on June 1, and $20 on June 30th they will get 6 per cent. interest on the instalments paid in. Or subscribers may pay the first instalment and the second and third instalments on the second due date by adding 60 cents the share.

"Since this company was incorporated in 1911," reads the announcement to the common shareholders, "its business has increased more than three-fold, while there has been no increase in capital stock. The field for the company's products is steadily widening, and the directors anticipate a continued growth in business."

The present increase in capitalization, it is added, is to provide for future growth of the business.

MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Mar. 16	92.8	90.3
Week of Mar. 9	92.3	88.9
Month of Mar., 1926	79.6	72.1
9 Bank Stocks		
Week of Mar. 16	$240	$239
Week of Mar. 9	241	239
Month of Mar., 1926	227	224
10 Public Utilities		
Week of Mar. 16	107	102
Week of Mar. 9	106	103
Month of Mar., 1926	95	91

WEEK'S GAINS AND LOSSES

	Gains	Losses	Unch.	Total
Banks	..	6	3	9
Paper	5	4	7	16
Steel	16	8	14	38
Foodstuffs	17	13	14	44
Utilities	12	6	10	28
Tractions	7	2	5	14
Textiles	4	4	9	17
Industrials	17	16	17	50
Total	78	59	79	216

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Government, Municipal and Corporation
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The Partners Personally Advise as to Investments.

GOODYEAR CAPITAL CHANGE PROPOSED

Second Preferred Will be Eliminated Under Plan Before Shareholders

Shareholders of Goodyear Tire & Rubber Co. of Canada have been asked to approve at a meeting March 28th of a rearrangement of the capital structure as follows:

A new 7 per cent., cumulative preferred, callable at par, to take the place of the two shares of preferred outstanding. Of the authorized 6 per cent. prior preferred authorized, $3,449,000 is outstanding, and of the $15,000,000 authorized 7 per cent. second preferred, there is $4,500,000 outstanding.

The common stock, of which there is $1,500,000 authorized and $533,200 outstanding, will be exchanged for a new no-par common. The new plan, it is proposed, will be affective as of April 1, and, conditional on its being operative, directors state that the 1¾ per cent. arrears of dividend on the existing preferred will be declared as of March 31.

In Shareholders' Interest

The basis of exchange will be share-for-share.

It is anticipated that the shareholders will readily agree to the change. The holders of the existing prior preferred will get an extra 1 per cent. and the position of the holders of the second preferred will get the same return and be a prior charge on the earnings and assets, as there are no bonds.

A change in the capital structure of Goodyear Tire was forecast by The Financial Post a month ago.

Grocery Chain Planned in Canadian West

WINNIPEG.—Plans for the formation of the first big grocery chain store movement in Western Canada were announced last night by W. P. Riley, president of Western Grocers Limited, whose company is backing the move. Details remain to be worked out, Mr. Riley said, adding that a large number of Winnipeg retailers are already pledged to enter the chain.

Existing retail stores are to be organized under the guidance of Western Grocers Limited, from Port Arthur to the Pacific coast, the object being to ensure for the stores entering the movement the benefits of the experience and purchasing power of the parent concern. It is not a merger, the Western Grocers' president pointed out, but rather a big co-operative movement, the stores being carefully selected and tied together for purposes of buying and merchandising. Several hundred western stores will be included in the chain, Mr. Riley said, which will be affiliated with the red and white chain which operates more than 3,000 stores in the United States and in Eastern Canada.

Chain store movements in the West to date, Mr. Riley added, have been confined to single cities. The present movement, however, he said, would spread out from Winnipeg, expanding chiefly from the centres in which branches of the Western Grocers are situated. These are Port Arthur, Fort Frances, Winnipeg, The Pas, Brandon, North Battleford, Yorkton, Saskatoon, Moose Jaw, Edmonton, Lethbridge, Cranbrook, Nelson and Vancouver.

Shovel Plant Likely to Remain in Gananoque

Report that the Ontario Steel Products Co. would move the D. F. Jones Co. shovel plant from Gananoque to Toronto or Montreal is denied by W. T. Sampson, vice-president and general manager of Ontario Steel Products, according to the Gananoque Reporter.

The facts appear to be that the Gananoque plant is becoming obsolete and that the directors of the company, before deciding to build a new plant at that place, have been inquiring into the comparative cost of manufacture in the larger centres. Apparently, it has been decided that advantages of location in larger centres are offset by the advantages as to power, labor, etc., in Gananoque. It is probable, therefore, that the shovel plant will remain at Gananoque and that a new factory building and equipment will be constructed.

It is not known whether new financing will accompany reconstruction.

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CRITICS DISCUSS BALANCE SHEET OF B.C. FISHING

Stock Exchange Enquiry Into Movement of Stock is Suggested

Various features of the annual report of British Columbia Fishing & Packing Co. are being widely discussed. There is a disposition to criticize the directors for not making a more substantial appropriation on account of depreciation. It is pointed out that, in accordance with government regulations, a sum in excess of $100,000 might have been so appropriated, as was done for 1925, and that a considerable sum in income tax might thereby have been saved. On the other hand, it is said that the balance sheet for income-tax purposes need not be the same balance sheet exhibited for shareholders. The directors by formal resolution declared that $1,000,000 was sufficient reserve for depreciation in view of the fact that the annual cost of maintenance of boats, plant and equipment was high and more or less constant.

Another point which is discussed is the earnings of Wallace Fisheries. The auditors state that the earnings of this company, of which B. C. Fishing owns 86 2/3 per cent. of the stock, were not considered in compiling the balance sheet of the controlling company. The directors in their report merely state that B. C. Fishing's proportion of Wallace Fisheries earnings was $157,000, but that none of this would be available for B. C. Fishing's dividends.

Wallace Earns $11

Individuals interested in the stock of B C. Fishing are questioning the ability of Wallace Fisheries to earn at this rate. The basis for this questioning is the contention that B. C. Fishing never could have acquired a majority interest in the company at the price paid if there had been the actual or potential earning power of approximately $11 the share.

The capitalization of Wallace Fisheries is 16,000 shares of stock of the par value of $100. B. C. Fishing acquired approximately 13,865 shares for a cash payment of $178,000 and 6,886 shares of stock in B. C. Fishing. At the time of the transaction, B. C. Fishing had a market value of approximately $65 the share. This would give the sellers of Wallace Fisheries shares approximately $45 a share for their stock.

This is not a complete answer to the question. It has been suggested that if B. C. Fishing desired to clear up the point it would be well advised to publish the balance sheet of the subsidiary company. According to information available this week, no such course is contemplated by the B. C. Fishing directorate.

As to the astuteness, or lack of astuteness, on the part of sellers of Wallace Fisheries stock to B. C. Fishing, in the light of $11 earnings in 1926, it is declared that the actual earning capacity of the smaller company before its identification with the larger company, has little bearing on its earning capacity afterwards. There have been many instances in industrial, commercial and banking history where a small company has done better after its identification with a larger organization. Why, it is being asked, should not this be the case with regard to Wallace Fisheries?

Auditors Approved

There also has been criticism of B. C. Fishing's balance sheet because nets, logs and fishing equipment have been included as current assets when perhaps the item should have been classified as a deferred charge to operations. The answer to this criticism is that the balance sheet was passed upon by the company's auditors, which are a firm of high standing.

The Financial Post has suggested from time to time that B. C. Fishing was not at present a stock in which investors safely could put their money because of the erratic movement on the stock exchange. The stock reached a high point of 108½ and sagged rapidly to 90 and below. It has been somewhat weak since the publication of the report a week ago. The wide fluctuations were due to erroneous reports as to earnings in advance of the report. While the stock-market range of good investment stocks sometimes is wide in a brief space of time, the movement in this stock has suggested that professional speculators were operating in the stock in such a way that investors, not being in a position to know the inside story, would be well advised to keep out.

Inquiry Is Urged

A reader of The Financial Post who is in a position to know something of the activities of the Toronto Stock Exchange has written a letter in which he suggests that the stock exchange, in its own interest as well as in the interest of the public, should conduct an investigation to determine whether or not there has been deliberate manipulation of the stock.

The specific questions which this investor asks are:

From what channel came the report that California Packing Co. was negotiating for the purchase of B. C. Fishing?

From what source came the report that the earnings of B. C. Fishing would be $15 the share?

The report of the directors of B. C. Fishing included the assertion that the company's proportion of earnings of Wallace Fisheries would not be applicable to dividends on B. C. Fishing. These "unfortunate" remarks, says this correspondent, "have been used to good effect by the short interest, but they are well aware that the remarks did not mean that the income did not belong to B. C. Fishing, but that the directors did not deem it wise to declare a dividend on Wallace Fisheries stock."

This investor, who is holding a small block of the stock, holds that the actual earnings are $10.03 the share, and contends that argument that the earnings were $7 emanates from the short interest.

Future is Uncertain

The future of B. C. Fishing as an investment is uncertain. Favorable factors include an organization which, due to the acquirement of the Wallace Fisheries, embraces every phase of the fishing industry on the Pacific coast, from the packing of the sock-eye salmon to the extraction of fish oil and meal. B. C. Fishing also is now in the dominant position in the industry on the coast.

Perhaps the most unfavorable factor in this company from an investment viewpoint is one to which those interested in this stock and its attendant discussion have paid no attention. This is that the fishing industry on the Pacific coast, so far as salmon is concerned, apparently is waning rapidly.

"Phenomenon of Past"

J. B. Babcock, assistant to the commissioner of fisheries of the British Columbia government said recently in an address at Victoria:

"The Fraser no longer has a 'big year' run. It is a phenomenon of the past. Without drastic means it cannot be restored."

The average so-called big year pack now is no greater than the average small year pack in former times. The average for 1901, 1905, 1909 and 1913 was 1,927,000 cases of sockeye. In 1925, the catch was 147,408 cases.

Mr. Fraser believes that the industry will come back if feasible steps are taken to restore the runs.

WIDE CHARTER OF BREWERY ATTRACTS

U.S. and European Interests Said to be Seeking Guelph Enterprise

Financing of Sleeman Springbank Brewery, Guelph, launched a couple of weeks ago by Samuel Barber, Toronto, has been quite successful. The demand for the shares has been keen, he asserts, and, though the offering was not put out through any brokerage house, it looks as if it will soon be cleaned up.

Rather an interesting fact is that a group of Americans made a bid for the whole block, immediately the offering appeared and have since made an offer to take any shares left after the public has had a reasonable chance.

It appears that the fact that the company's charter allows for operation of a distillery as well as a brewery is behind this interest in the concern and the latest report is that there may be keen bidding for an interest on the part of large European interests who are keeping a keen eye on the Dominion. Important developments may result.

Newsprint Production Figures Reveal Surplus

From Our Own Correspondent.

MONTREAL.—The February production figures of the newsprint mills on this continent reveal clearly the situation which surrounds the industry. The production of the Canadian mills during the month amounted to 150,773 tons, as compared with 161,724 tons in January. The mills worked at 86 per cent. capacity.

The production of the U. S. mills declined even more sharply from 135,755 tons in January to 121,318 tons in February. The U. S. mills, however, worked at 88.7 capacity.

The total Canadian and U. S. newsprint production amounted to 272,091 tons, and shipments to only 264,339 tons. Thus, the amount of paper in hand at the mills at the close of the month showed some increase and amounted to 41,195 tons, or the equivalent of 3.2 days' average production. While February is a short month, yet the fewer number of days is not proportional to the decline in the output. The decline may appear marginal, but, on the other hand, it is to be remembered that, since the close of 1926, several new newsprint machines have come into operation, which naturally at least tends to reduce the percentage of capacity at which all the mills operate.

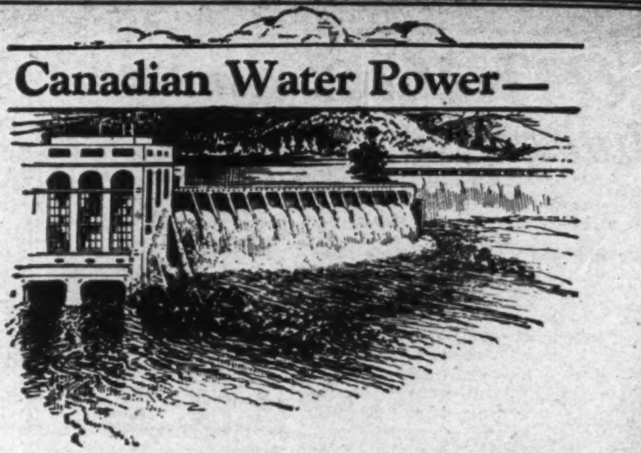
Sterling Trusts Plans Expansion in West

Negotiations are underway which may lead to the absorption of a mortgage and trust company in Saskatchewan with the Sterling Trusts Corp., of Toronto. Sterling Trusts has a branch office in Regina.

Sterling Trusts has applied to parliament for permission to increase the authorized capital of the company from $1,000,000 to $2,000,000, and to use all or a part of this increase in acquiring an interest in any other corporation having like or similar objects.

The latest use for granite, according to L. H. Cole, of the Department of Mines, Ottawa, is in the making of press rolls for paper machines.

Canadian Water Power—



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NEGOTIATING FOR SALE OF ARCADE, HAMILTON STORE

(Continued from page 1)

sets saleable on a moment's notice and not including any assets immediately saleable total $92,083.

Buys in Own Bonds

"This means," states Mr. Whelan, "that we could pay every dollar owing, instantly, and have $21,095 cash on hand after doing so. This should answer the question as to whether your principal is safe or not."

During the year the company bought its own bonds to the value of $38,500, and it is pointed out that this will decrease the small interest charges.

Arcade, Ltd., is an example of a store which ventured into customer ownership. The policy of a wide distribution of shares of a small par value was advantageous so long as dividends were being paid, but recently the company has apparently been unfortunate in the attitude of some of its customer-shareholders. "The active support of the shareholders," concludes Mr. Welan's statement, "is of the greatest value to the company, and we do not hesitate to ask for this support both in their individual interests and in the interests of the company."

The report that the T. Eaton Co. were contemplating buying Arcade, Ltd., has been denied.

Join Investments Association

The Ontario Equitable Life and Accident Insurance Company, Waterloo, has been elected a member of the Dominion Mortgage and Investments Association.

Pure Quebec Maple Syrup and Sugar
(Direct from sugary to Consumers)
Pure Maple Syrup—1 gallon, Imperial tins ....$2.50 per gal.
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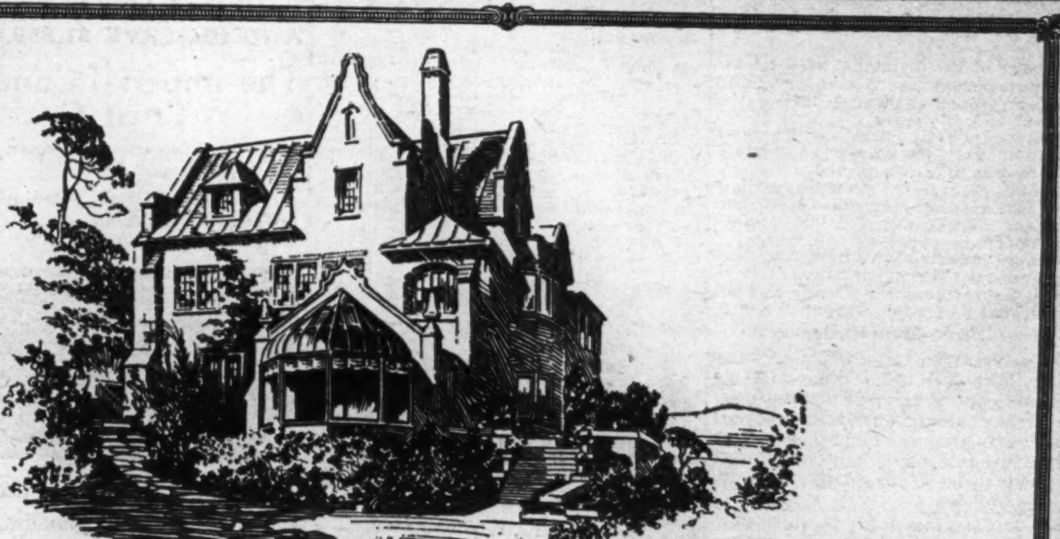

Dr. McDougall's home, Montreal, Architects, Messrs. Nobbs & Hyde.

An Integral Part of the Home

HERE is the Glass Garden planned and built by us for Dr. McDougall. Note the harmony—the "understanding" treatment of line—which perfectly blends with the architectural character of the house itself. It is an addition which enriches the whole design.

Dr. McDougall's Glass Garden is only one of many in Montreal. Everywhere you see them—magnificent palaces of shining glass, or, down the scale, the modest glassed enclosure nestling in the sunny corner of a bungalow. Large or small, they are a year-round pleasure to the flower-loving family.

We would like to send you our handsome booklets showing glass gardens of all types and sizes.

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FOREIGN EXCHANGES

Firm Undertone in Money Mart

Conducted by S. J. ZACKS.

There was a firm undertone in the whole market this week—several new highs were established for the year. Interest in Canadian funds has subsided, and the flurry of last week has been all but forgotten. Among the currencies to establish new highs for the year this week, were sterling, lire, pesetas, kroner and yen—an imposing array.

In connection with the embargo talk on Canadian gold, several wild rumors have been definitely dissipated, and it has been firmly established that Canadian stocks of gold have not been depleted. On the contrary, the public has learned of the minting operations of Canada's own gold at Ottawa, and the comparative plenty of the metal in that quarter. American papers have revived the suggestions of a central gold reserve for Canadian and American gold reserves, which would eliminate shipments of gold and fluctuations in the currency. Regardless of the practicability of such a scheme, sentiment in Canada would definitely be opposed to any such arrangement.

The rise in lire has been gradual for the past few weeks, and traders have been predicting much higher prices.

Buying in this currency in part has been speculative, discounting future Italian borrowing in New York, but for the most part reflecting emigrants' remittances, foreign purchases of Italian stocks, proceeds of Italian loans floated abroad, and better Italian foreign trade position.

Kroner made the highest point since 1919 this week. Buying is attributed to the Norwegian National Bank, which keeps a close watch on the foreign exchange market, and takes advantage of the technical position of the market. Kroner are about $.0061 below parity, and New York bankers look for a return to parity before long.

Strength of yen, following the lower discount rates, confirms belief that an announcement of a return to parity will be out shortly. Japanese balance of payments normally turns from a debit to a credit about this period. The heavy import season in the first six months is usually succeeded by a six-month export period, and foreigners contemplating purchases in the second period usually begin buying exchange about now.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Mar. 10	3-16	11-64	3-8	9-32
Mar. 11	3-16	3-16	21-64	5-16
Mar. 12	3-16	3-16	5-16	5-16
Mar. 14	3-16	3-16	23-64	21-64
Mar. 15	3-16	3-16	3-8	11-32
Mar. 16	3-16	11-64	25-64	3-8

STERLING, FRANCS, AND LIRE

	Sterling Close	Francs Close	Lire Close
Mar. 10	4.84⅞	3.91	4.45¾
Mar. 11	4.84 29/32	3.91	4.45
Mar. 12	4.84 15/16	3.91	4.45¼
Mar. 14	4.85	3.91	4.54½
Mar. 15	4.85⅛	3.91½	4.51½
Mar. 16	4.85 3/16	3.91¼	4.57¼

FOREIGN EXCHANGE

Par		Mar. 9	Mar. 16
19.30	Italian	4.46	4.58
32.45	Brazilian	11.87	11.87
23.82	German	23.76	23.76
19.30	Belgium	2.79	2.79
84.85	Japan	49.20	49.25

UNLISTED SECURITIES

	Bid	Asked
Brooks Motor, 1 pref. & com.	..	6
Do., 1 pref. & 2 com.	..	8
Can. Machinery, com.	5	6½
Can. Westinghouse, com.	184	190
Chase, A. W., com.	..	10
Do., pref.	..	80
Dunlop Tire, pref.	97	..
Fanny Farmer, com.	25	27
Farmers Dairy, com.	62	..
Goodyear Tire, 6% pref.	97	..
Gunns, Ltd., pref. (new)	101	103
King Edward Hotel, Deb. A.	74	76
King Edward Hotel, Deb. B.	60	63
Loew's Buffalo, pref.	47	53
Nat. Grocers, 1st pref.	95½	98
Nat. Grocers, com.	2	6
Continental Life, 20% paid	42	52
Crown Life	152	..
Empire Life	26	29
Excelsior Life, 29% paid	66	..
Great West Life	420	440
Monarch Life, 10% paid	35	..
Mortgage Discount, pref.	6¼	6¾
Ontario Equitable	27	30
Re-Insurance	27	30
Security Life, 40% paid	26	31
Sun Life, 75% paid	705	..
Toronto Finance, pref.	3	4
Willard's, pref.	67	71
Canada Life	730	..
Capital Life, 20% paid	19	22
Farmers Dairy, pref.	100	104
Dom. Combing Units	29	35
Goodyear Tire, com.	100	..
Copeland Flour, com.	..	3
Do., pref.	..	25

PROPOSE WIND-UP NORTH. MORTGAGE

Changing conditions in the Western Canadian mortgage field since the company was organized in 1910 has necessitated serious consideration of a voluntary liquidation of the Northern Mortgage Co., on a basis of 100 cents on the dollar, according to a letter addressed to the shareholders by R. T. Riley, vice-president.

The letter states that on June 30 next the $1,000,000 debenture stock will be paid off, and at the annual meeting authority will be sought from the shareholders to wind up the company, the intention being to make a payment of from 25 per cent. to 50 per cent. of holdings, to be followed with payments every six months until all the assets of the firm are liquidated.

The 17th annual report of the company submitted to shareholders showed net profits, after all expenses, of $86,039.

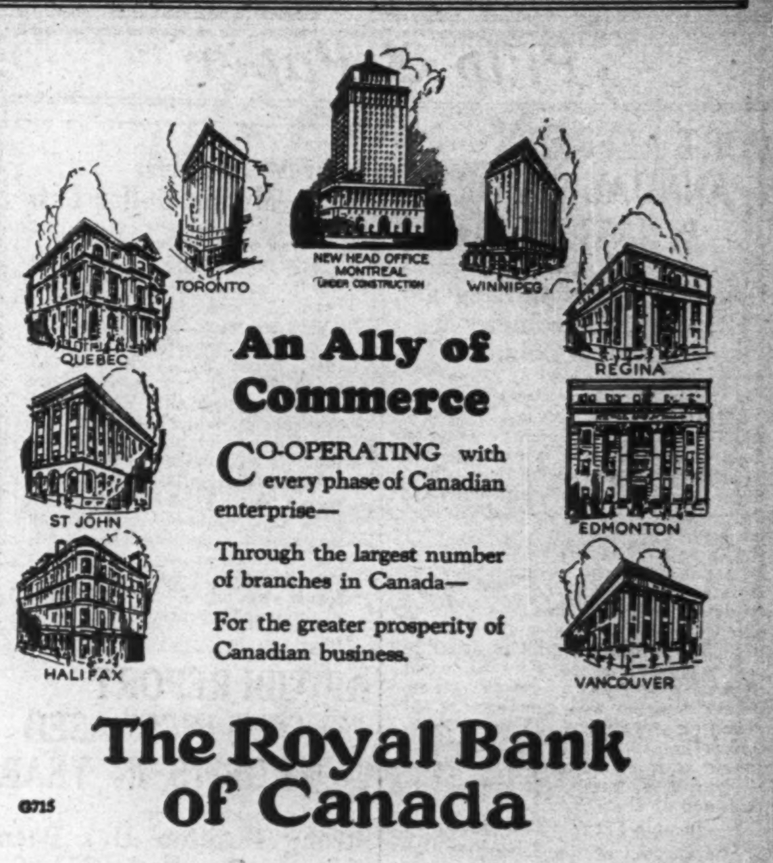
Total assets of the company are placed at $3,403,181.

Stock Market Record

WEEK ENDING MARCH 15

	Div. Rate	Yield Mar. 14	High for wk.	Low for wk.	Close Mar. 15	Close Mar 8	Sales for wk.	Range, 1927 High	Range, 1927 Low
Banks—									
Commerce	12+1	5.41	240½	239	240	240	111	248	228
Dominion	12+1	5.67	229	229	229	229	25	230	217
Can. Nationale	10	6.06	165½	165	165	165	36	165½	160½
Imperial	12+1	5.90	220	219	219	220	125	223	214
Montreal	12+2	4.81	292½	291	291	293	363	295	272
Nova Scotia	16	5.08	320	314	314	320	107	321	298
Royal	12+2	5.41	258½	257	257½	258¾	230	266	257
Standard	12	5.85	205	204	204	204½	130	207	196
Toronto	12	5.15	233	230	231	233	289	238½	230
Paper—									
Abitibi, com. (no par)	5	5.37	93	89¾	91	90½	7645	93	82
Do. pref.	7	6.03	..	...	...	...	...	116	113
Belgo-Can. pref.	7	6.79	103	101¼	102	102¾	277	103	101
Brompton (no par)	$2	6.25	32	31½	32	31¾	715	35	31½
Fraser, pref.	7	7.23	..	...	...	...	...	96¾	96¾
Inter. Paper, com.	$2	3.49	59	56¼	56¼	59½	10100	60⅞	53⅛
Laurentide	6	5.79	104⅝	102	103	102⅝	5180	110⅝	98½
Price Bros., com.	2	3.39	60	59	59	60	55	63	59
Do. pref.	6½	6.28	103	101½	101½	101½	55	104	100¾
Prov. Paper, com.	6+1	5.49	..	...	...	...	...	128½	115
Do. pref.	7	6.60	..	...	...	...	...	107	105¼
Smith, Howard, com.	.	...	61	60½	61	61	125	68¾	60½
Do. pref.	8	7.40	108	107	108	107	129	108	103½
Span. River, com.	7	6.88	102½	100	101¼	100	1435	104¼	99
Do. pref.	7	6.08	115	114	114	114½	302	116½	112
Wayagamack	$3	6.12	49	47	47	47	50	54¾	46¾
Steel and Steel Industries—									
B.E. Steel, com.	.	...	1	1	1	1	340	1⅜	¾
Do. 1st pref.	.	...	19	18	18	18	100	22¼	17½
Do. 2nd pref.	.	...	3	2¼	3	3¼	1435	4	2¼
Can. Car & Found., com.	.	...	43	41¾	41¾	41½	200	50¼	41½
Do. pref.	7	7.73	91	90	90½	91	327	94½	89
Can. Fairbanks, pref.	6	7.31	..	...	...	...	...	82	80
Can. Forgings, com.	.	...	20½	18	18	22½	220	24	18
Do. pref.	.	...	84	84	84	85	71	85	66
C.G.E., com. (par $50)	.	...	51	51	51	50	50	51	50
Do. pref. (par $50)	7	5.93	59¼	58	58¼	58½	86	59¼	56¼
Can. Locomotive, com.	.	...	..	...	...	...	...	48	40
Do. pref.	7	7.95	89	88	89	88	28	89	85½
Canada Iron, com.	.	...	..	...	...	...	...	12	12
Do. pref.	4	8.51	..	...	...	...	...	47	42
Dominion Bridge	4+2	4.16	147	143	144¾	142½	3046	148¾	116¾
Dominion Coal	.	...	72	72	72	72	10	75	71
Dominion Iron, pref.	.	...	..	...	...	...	...	5	5
Dom. Radiator, pref.	7	6.96	100½	100½	100½	100½	15	101¾	100
Dom. Steel Corp., pref.	.	...	22½	22½	22½	22½	50	25	22
Ford Motor	10	...	..	...	...	...	...	x622	500
Gould Pumps, pref.	7	7.00	..	...	...	...	...	100	100
Kelvinator, com. (no par)	.	....	14¾	14	14	14¾	230	15	9⅞
Do. pref.	7	7.52	93½	93	93½	93	27	94	88½
McKin. Ind., c. (no par)	.	...	19	18	19	18	40	21	18
Do. pref.	7	7.33	95½	95	95¼	95	70	95½	93¼
Massey-Harris, com.	.	...	117½	107⅝	116	111	15506	117½	67½
Do. (new)	.	...	29¼	29¼	29¼	...	150	29¼	29¼
Do. pref.	7	6.48	109	107½	109	108	539	109	103½
Ontario Steel, com.	4	5.36	..	...	...	...	...	78	73
Do. pref.	7	7.00	100	100	100	102½	2	102½	100
Page Hersey, c. (no par)	$3	4.80	64	62	64	62¾	295	65½	55½
Do. pref.	7	5.51	127½	124	127½	125	541	130¼	116
Pressed Metals, com.	.	...	39	39	39	38	5	39	34¼
Do. pref.	1¾	8.23	..	...	...	...	...	85	85
Russell Motor, com.	3	5.76	52	52	52	...	1	52	52
Do. pref.	7	7.21	97¼	96	97¼	97	70	97¼	90¼
Sawyer-Massey, pref.	.	...	6	6	6	5½	20	6	5
Steel of Canada, com.	7	5.51	127	124½	126	124¼	672	129½	117
Do. pref.	7	5.22	134	134	134	136	4	136	127
Milling and Foodstuffs—									
Alta. Pac. Grain, com.	.	...	25	22½	22½	24¾	75	27¼	22½
Do. pref.	7	7.69	91¾	90¾	91	90½	120	92	87½
Arnolds, com. (no par)	.	...	25	19¾	20½	25	2968	26	18
Do. pref.	7	7.60	95	92	92	95	155	95	84
Atlantic Sugar, com.	.	...	29½	28	29½	28⅛	726	30½	27½
Do. pref.	.	...	92⅞	91½	92	91½	865	92⅞	90
B.C. Fishing	5	6.18	90	77¼	80	88½	8210	94½	73
Can. Bak., com. (no par)	.	...	29	29	29	27	60	33	27
Do. pref.	7	7.03	99½	99	99½	99½	34	100	98
Can. Bread. com. (no par)	$5	4.90	105	95½	102	94½	142	105	90
Do. pref. (A)	7	6.03	..	...	...	...	...	116	108½
Do. pref. (B)	7	6.33	110½	110	110½	109½	20	110½	103
Can. Canners, com.	.	...	42¾	39	42¾	39½	495	42¾	21
Do. pref.	4	4.67	87½	82½	86¾	83	944	87½	76
Canadian Salt	8	5.92	135	135	135	135½	30	136	123
Christie Brown (no par)	$1.20	3.08	..	...	...	...	...	40½	38
City Dairy, c. (par $25)	$3+1	3.88	103½	100	100	102½	905	107¾	79
Do. pref.	7	5.88	..	...	...	...	...	119	112
Cugan Can. Sugar, com.	.	...	3½	3	3	5	35	5	2¾
Do. pref.	.	...	37	35¾	36	35¼	144	37	29
Wm. Davies (A) (no par)	.	...	32¾	31½	31½	32¾	785	33	25
Do. (B) (no par)	.	...	..	...	...	...	...	9	9
Dominion Stores (no par)	$2.40	3.24	74¾	73	74	74¾	265	77	65
Hamilton Dairies, com.	.	...	33	26¼	31	26	585	33	24
Do. pref.	7	7.14	98	98	98	98	30	98½	96
Inter. Milling, pref.	7	6.73	105¼	104	104	104½	126	107	104
Lake of Woods, com.	12	7.74	155	155	155	155	9	160	150
Do. pref.	7	6.03	116	116	116	115	5	117	115
Loblaw, com.	$1.25	2.50	50¼	50	50	50½	120	51	48
Do. pref.	7	6.48	108	108	108	108	4	108	107
Maple Leaf Mill, com.	.	...	65	63	65	63	59	64	61½
Do. pref.	7	7.00	100	99	100	99	39	101¼	99
Ogilvie Flour, com.	5	2.04	245	245	245	245	45	250	205
Do. pref.	7	5.73	123	122	122	122	58	123	120¼
Pure Gold Mfg. (no par)	$1.50	7.50	20	19½	20	19½	50	20	19¼
Shred. Wheat (no par)	$3	4.95	61½	60	60½	62	952	65	55
St. Law. Flour, com.	.	...	..	...	...	...	...	31½	28
Do. pref.	7	8.43	..	...	...	...	...	84	83
Viau Biscuits, com.	.	...	21	21	21	22	10	26	20
Do. pref.	7	8.09	86½	86	86½	85	140	88½	83½
Western Groc., c. (no par)	$1	...	24	24	24	24	12	29	23
Do. pref.	7	8.75	80	79½	80	80	26	84	74¼
West. Can. Fl., c. (no par)	$1.40	6.08	24	23¾	23¾	23	180	24¼	22
Do. pref.	6½	6.37	102	102	102	102	5	103	100
Utilities—									
Bell Telephone	8	5.35	150	146½	147	150	641	158½	137
Calgary Power	.	...	..	...	...	...	...	50	50
Consumers Gas	10	5.57	180	178	180	178	190	180	171½
East Koot. Power	.	...	..	...	...	...	...	29¼	26
Do. pref.	7	7.21	97	97	97	98½	25	98½	97
Inter. Util. (A) (no par)	$3,50	...	35	35	35	33	400	35	28
Jamaica Pub. Ser., pref.	7	7.00	100	99	100	100	76	100	97
Laurentide Power	5	4.65	107½	107½	107½	111½	3	120	107½
Mackay, com.	7	5.60	125	123	125	122¼	79	127½	119
Do. pref.	4	5.63	71¾	70	71½	71½	263	74	69¾
Mexican Light, com.	.	...	42½	42½	42½	31	25	42½	27
Do. pref.	.	...	..	...	...	...	...	100	77¼
Mont. L H & Pr (no par)	$2	2.59	78½	73⅞	76¼	74	22621	78½	68½
Montreal Teleg. (par $40)	8	5.23	..	...	...	...	...	50½	49¼
Nor. Mexico Pr., com.	1	...	57	56	56	56	105	59	42
Do. pref.	7	8.23	..	...	...	...	...	86	82½
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	28	28
Do. pref.	7	7.29	96	96	96	97¼	6	99½	96
Ottawa L. H. & Pr., com.	6	5.88	102	102	102	102	10	102	98½
Do. pref.	6½	6.19	105½	104	104	105	40	105½	102
Quebec Power, com.	6	2.51	239½	206½	207	224	8499	239½	190
Do. Rights	.	...	32¾	31	31¾	...	604	32¾	31
Shawinigan	$2	2.77	72½	68¾	72	69	13917	72½	67
South. Can. Pr., com.	2	2.27	88	87¾	88	87½	350	90	85
Do. pref.	6	5.94	101½	101	101	101½	106	102	100
Transportation—									
Can. Pacific Rly.	10	5.39	185½	184	185	182¾	120	190	166
Can. Steamships, com.	.	...	40½	38⅜	40⅛	39½	1102	40½	35
Do. pref.	6	6.74	89¾	87	89	88	2452	89¾	82½
Do. voting	.	...	37½	37	37¼	37	285	37½	32½
Tractions—									
Barcelona (par $50)	.	...	44¼	41	43	41¼	280	44¼	33¼
Brazilian, com.	6	4.67	129½	125½	127½	124⅝	67516	129½	102½
Do. pref.	6	5.21	115	110¾	115	110	660	115	104
Detroit Un. Rly.	.	...	4	2¼	4	2	145	4	2
Duluth-Superior	.	...	25	25	25	25	50	27½	25
Illinois Traction, pref.	6	...	..	...	...	...	...	x100½	96½
Montreal Trams	10	5.55	180	180	180	176	10	180	169
Ottawa Traction	4+1	7.29	68½	66½	68½	66	30	68½	64
Perto Rico Rlys., com.	2	2.86	69¾	69¾	69¾	69¾	14	70⅝	59
Do. pref.	7	7.36	95	94	94	94	45	95	90
Twin City, com.	4	7.14	57¼	55	55	57	2009	66	55
Do. pref.	7	7.00	..	...	...	...	...	100	100
Winnipeg Elec., com.	1	....	63½	62¾	63½	62½	10	66½	60¾
Do. pref.	7	6.73	105	102	102¼	103½	74	105	100¾
Textiles—									
Can. Conn. Cotton, pref.	4	9.30	43	42¾	43	44	70	50	36
Can. Converters	7	7.00	101	100⅛	100½	100	90	102¼	100
Can. Cotton, com.	8	6.50	..	...	...	...	...	125	120
Do. pref.	6	6.00	100	99½	100	100	75	100	95
Can. Woollens, com.	.	...	8	8	8	10	26	10	6
Do. pref.	.	...	..	...	...	...	...	63½	60
Cosmos Imp., com.	.	...	18	17½	18	18	325	18⅞	13
Do. pref.	7	7.14	98	95	96½	97	197	98	91¼
Dom. Textile, com.	5	4.46	112	109½	110	109½	5230	112	105
Do. pref.	7	5.83	121	120	121	120	24	121	117
Monarch Knitting, com.	.	...	..	...	...	...	...	7½	7½
Do. pref.	.	...	..	...	...	...	...	54	50
Montreal Cottons, com.	6	5.31	..	...	...	...	...	115	110
Do. pref.	7	6.03	116	116	116	118	29	118	115
Penmans, com.	8+2	4.58	218	214¼	216	214	427	218	182¼
Do. pref.	6	5.88	..	...	...	...	...	103	101½
Wabasso Cotton	6	5.45	..	...	...	...	...	116	100½
General Industrials—									
Amer. Sales, c. (par $20)	4	5.51	73	69	69	70	115	75	67
Do. pref.	7	7.03	100	99	100	99¾	66	100	97½
Asbestos Corp., com.	.	...	22¼	21¼	21⅞	21½	674	24¾	21
Do. pref.	7	8.23	85½	84½	84⅞	84¼	900	87½	82¾
Building Products, pref.	7	7.34	96¼	95¼	95¼	96	10	96¼	93½
Brant Cord. pf. (par $25)	8	8.00	25	22½	24½	22½	782	25	21
Burt, F. N., com.	12	5.21	58¼	56½	56¾	58¼	326	65¼	56½
Do. pref.	7	3.33	..	...	...	...	...	x210⅛	210½
Canada Cement, com.	6	4.45	135¼	131½	134	131	1507	139	124½
Do. pref.	7	5.98	117	116½	116½	117	51	120¼	116
C. Ind. Alc. (no par)	$1.28	4.65	27½	26¼	27	26¼	13517	28	21¼
Canadian Oil, com.	5	3.84	130	126	130	125	40	130	99
Do. pref.	8	6.78	119	118⅛	119	116½	24	119	115½
Crow's Nest Coal	6	9.37	..	...	...	...	...	66½	63½
Dom. Glass, com.	7	6.30	112	108½	108½	111	1780	112	104
Do. pref.	7	6.19	..	...	...	...	...	114½	112
Dom. Rubber, pref.	7	8.75	..	...	...	...	...	x87½	80
East Theat., c. (par $25)	.	...	27½	27¼	27¼	29	100	30	24
Do. pref.	7	7.36	95	95	95	95	31	95	94
Famous Players, com.	.	...	28½	28½	28½	29	5	30	20
Do. pref.	8	8.16	99	95¼	98	98	407	101	93¾
Gilman, com.	6	4.91	..	...	...	...	...	x127⅛	104½
Do. pref.	7	5.83	120	114	120	125	125	125	114
Goodyear Tire, pref.	7	6.55	106¾	104¼	104¼	106	944	109	94½
Holt, Renfrew, com.	.	...	43	43	43	43	1	43	43
Do. pref.	7	7.77	..	...	...	...	...	90	85
King Ed. Hotel	.	...	27½	23	27½	24	137	29¼	20
Laura Secord, com.	.	...	29	29	29	...	65	29	29
Do. pref.	7	6.86	102	102	102	...	25	102	102
Lyall Construction	.	...	..	...	...	...	...	45¼	35¾
Loew's, com.	.	...	43	40	43	38	20	43	38
Do. pref.	7	6.79	103	102	103	100	10	103	96½
Nat. Brew., c. (par $25)	4	5.71	71	68¾	69	68¼	6661	71⅜	65
Do. pref.	7	6.45	109	107½	108½	109	550	110	105
National Brick, com.	.	...	..	...	...	...	...	10	8
Do. pref.	7	10.00	70	70	70	70	28	81	65
Pacific Burt, com.	6	6.81	..	...	...	...	...	89½	88
Do. pref.	7	6.66	105	103½	103½	105	79	108	103½
Port Hope Sanitary, com.	3	2.30	..	...	...	...	...	130	125
Do. pref.	7	6.54	107	107	107	106	2	107	90
Rogers, Wm., com.	.	...	80	76	76	77	705	80	64
Do. pref.	7	7.00	100	99	99	96	32	100	92
Seagram (no par)	.	...	25	23⅜	23⅞	25	3617	26⅞	15
Sher-Williams, com.	6	3.87	155½	152	155	152	160	155½	142
Do. pref.	7	5.83	120	120	120	119	11	120½	118
Sterling Coal	4	11.11	..	...	...	...	...	36	36
Tooke Bros., com.	.	....	..	...	...	...	...	x8	8
Do. pref.	7	8.64	81	80	81	80⅛	26	89	80
Tuckett Tobacco, com.	4	5.71	70	70	70	71	15	72	69
Do. pref.	7	6.66	105½	105	105	105½	38	106¼	104
Woods Mfg., com.	.	...	..	...	...	...	...	45	39
Do. pref.	7	8.75	82	80	80	84	8	89	80
Trust and Loan—									
Can. Landed (par $50)	10+1	5.47	100½	110	100	99⅞	24	100½	94
Can. Permanent	12	5.45	220	217	217	220	42	221	216½
Colonial Invest.	6	...	..	...	...	...	...	7	6½
Huron & Erie	7+½	5.28	..	...	...	...	...	142	139
Landed Banking	9	5.59	..	...	...	...	...	161	161
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	x50¼	50
National Trust	12	4.95	242	242	242	242	4	255	232
Ontario Loan (par $50)	12	5.12	..	...	...	...	...	117	111
Real Estate Loan	7	7.00	..	...	...	...	...	100	100
Toronto Gen. Trusts	12	5.26	..	...	...	...	...	228	220
Toronto Mtge. (par $50)	10+1	5.39	102	102	102	101	11	102	100
Union Trust	7	6.48	..	...	...	...	...	108	104
CURB AND UNLISTED MARKETS									
Anticosti, pref.	7	7.14	..	...	...	...	...	98¾	98
Attendu Engine (par $1)	.	...	30	14	23½	14	14693	35¼	14
Bawlf Grain	.	...	..	...	...	...	...	98	98
Beacon Oil	.	...	17½	17	17½	17½	75	20¾	17
Belding, com.	6	8.10	75	74	75	75	45	88	74
Do. pref.	7	7.00	100	100	100	100	95	100	100
Brit. Amer. Oil (no par)	80c	3.47	23	22¼	22¾	23	4278	24¼	20
B.C. Oilfields	.	...	..	...	...	...	...	2¾	2¼
Brew. & Distil. (par $5)	5	...	..	...	...	...	...	5¼	4½
Can. Brewing	.	...	30	25	25	27	885	30¼	25
Can. Nor. Pr. c. (no par)	.	...	51¼	51	51	51	22	52	42
Do. pref.	7	7.03	99½	98½	99½	99	71	99½	98½
Cockshutt, pref.	4	4.55	72	72	72	71	30	77	71
Continental Oil	$1	5.00	..	...	...	...	...	22¼	20
Cosgrave Brew. (par $10)	5	6.66	8	7½	7¾	7½	530	8	7
Cooksville Shale Brick, c.	.	...	..	...	...	...	...	10¾	10¾
Do. pref.	4	...	..	...	...	...	...	50½	50½
Com. Alcohol	.	...	..	...	...	...	...	54	49½
Dom. Engineering	$3	1.76	170	153	169¾	155	245	170	135
Dryden Power (no par)	.	...	12¼	12	12	12	60	15½	11½
Can. R. & Pr.	.	...	20¾	20¾	20¾	20¼	175	23	20
Eastern Dairies (no par)	.	...	23	23	23	23	115	23¼	20½
Do. pref.	7	7.44	..	...	...	...	...	96½	94
Eng. Elec., com. (no par)	.	...	15	15	15	15	3	16	15
Do. pref.	.	...	..	...	...	...	...	76½	72½
Federal Distillery	.	...	6½	6	6½	...	300	6½	6
Good. & Worts (no par)	$1	1.80	57	54½	54¾	56	2695	58½	43
Hiram Walker	.	...	39½	36½	36½	26¼	5130	42	28½
Illinois Power, pref.	7	7.08	98¾	98½	98¾	100	32	100½	98
Imperial Oil	$1+12½	2.60	43½	42½	42¾	42¾	5082	46¼	37¾
Imp. Tobacco, c. (no par)	6	...	7	7	7	7	430	7½	6¾
Inter. Petroleum	75c	2.34	32½	31	31	31¾	975	35½	31
Manitoba Power (no par)	.	...	57	53	56	53	157	58½	50
McColl, com. (no par)	80c	2.76	29	27¼	28½	27¼	583	29	22½
Do. pref.	7	6.66	105	104½	105	105	21	105	100
Mount Royal, com.	.	...	5	5	5	5	19	6	4½
Do. pref.	1½	...	55¾	55½	55¾	54	60	55¾	54
North Star Oil, com.	.	....	200	200	200	200	650	200	115
Do. pref.	7	...	490	490	490	495	20	501	490
N.S. Car, com.	.	...	..	...	...	...	...	25	18¼
Ott. Mtl. Pr., c. (no par)	.	...	21	19½	21	18¾	18	21	18¾
Do. pref.	7	7.36	47½	47½	47½	48	45	48¾	47½
Ottawa River Pr. (no par)	.	...	26	26	26	25½	23	26	25
Paton Mfg., com. (no par)	.	...	..	...	...	...	...	56	55
Do. pref.	.	...	..	...	...	...	...	100	99
Power Corp., c. (no par)	.	...	28¼	28	28¼	28	375	29¾	27½
Do. pref.	6	6.18	97	96	97	96⅝	105	97½	94
Port Alfred, pref.	7	7.36	97½	95	97½	97½	15	97½	95
Que. South. Pr. (no par)	.	...	..	...	...	...	...	28½	25
St. Maur. Power	.	...	97	96	97	96	259	98	96
St. Maur. Valley, com.	.	...	48½	47	48	49	97	56½	47
Do. pref.	7	7.17	..	...	...	...	...	98	95
Simpson, Robt., pref.	6	5.88	102	102	102	100½	300	102	100½
Sovereign Secs. (par $5)	.	....	..	...	...	...	...	200	200
St. Law. Pap., c. (no par)	.	...	41½	41	41	41	50	54	41
Do. pref.	8	7.51	106½	106	106	107	9	108	105
Standard Clay	.	...	..	...	...	...	...	40	39
Toronto Dairy	.	...	..	...	...	...	...	90½	90½
Toronto R.S.	.	...	150	150	150	150	120	150	150
United Secs., com.	.	...	45	45	45	45	1	51	45
Do. pref.	6	5.71	105	105	105	105	10	105¼	104
Volcanic Oil	63c	...	36	36	36	37	10	39	36
Venezuelan Pete. (par $5)	.	...	6¼	6¼	6¼	7¼	50	7½	6¼

x Quotations for 1926. No sales recorded in 1927 to date.



An Ally of Commerce

CO-OPERATING with every phase of Canadian enterprise—

Through the largest number of branches in Canada—

For the greater prosperity of Canadian business.

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The Royal Bank of Canada

Return of the Chartered Banks of the Dominion of Canada, January 31st, 1927

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due. to other banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes held	Greatest amount notes in circ.
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	41,505,531	11,201,965	....	5,749,251	145,602,912	395,273,509	85,119,744	2,913,479	2,020,778	5,919,274	300,495	12,237,992	874,257	908,866	29,916,700	29,916,700	769,561,458	31,175,000	12	954,945	29,408,826	55,227,379	45,084,196
Nova Scotia	13,882,383	1,324,411	....	647,906	30,825,835	121,770,110	31,846,118	1,666,833	76,147	1,263,659	1,229,255	6,807,145	164,940	15,348	19,500,000	10,000,000	241,020,096	15,000,000	16	1,253,348	9,218,306	10,230,369	15,018,836
Toronto	7,335,178	191,526	....	1,034,163	27,064,483	56,411,355	....	1,177,434	386,597	1,763,754	1,258,253	1,463,896	222,901	1,403	7,000,000	5,000,000	110,310,947	10,000,000	12	2,274,793	423,053	7,712,066	8,166,160
Provinciale	3,720,018	129,136	....	322,810	4,928,887	31,968,080	....	266	....	14,870	....	11,150	46,553	6,266	1,500,000	4,000,000	46,648,038	5,000,000	9	....	198,797	409,998	4,233,873
Commerce	25,672,344	2,451,060	....	5,392,986	125,847,773	227,340,513	42,499,831	1,256,361	1,150,084	9,412,971	1,252,870	13,797,612	....	6,883	20,000,000	20,000,000	496,081,292	25,000,000	12	4,712,477	19,895,000	19,501,000	27,816,586
Royal	34,985,898	1,451,133	10,000,000	5,161,078	128,445,615	281,230,522	168,441,865	3,706,455	391,871	19,244,613	4,865,073	33,231,277	40,666	23,031	24,400,000	24,400,000	740,019,104	30,000,000	12	2,441,984	11,531,691	13,091,836	38,270,368
Dominion	7,112,712	454,244	....	928,233	26,428,003	62,029,454	2,183,229	1,299,457	301,691	1,360,228	126,817	3,129,731	542,041	2,599	7,000,000	6,000,000	118,898,445	10,000,000	12	760,539	2,151,000	6,272,000	7,514,537
Standard	5,828,130	329,946	....	758,145	19,995,918	51,064,576	....	1,114,982	323,798	2,109,457	....	483,460	237,947	145,679	2,900,000	4,823,400	90,115,444	5,000,000	12	126,996	538,310	3,574,476	6,349,395
Nationale	10,307,949	473,496	....	1,158,283	20,290,635	85,465,011	1,399,694	4,225	139,733	484,228	....	870,850	....	2,485	5,500,000	5,000,000	131,596,593	10,000,000	10	458,824	856,654	3,199,199	12,101,854
Imperial	9,440,745	916,689	....	3,833,818	28,413,957	66,258,169	....	1,239,610	32,518	468,675	....	835,529	....	211,026	7,500,000	7,000,000	126,150,740	10,000,000	12	169,000	1,095,113	5,537,050	10,693,990
Weyburn Security	648,670	69,083	....	36,239	1,899,592	2,663,474	....	....	....	22,352	....	....	....	13,114	225,000	524,560	6,102,087	1,000,000	5	109,792	25,318	52,650	823,495
Total	160,439,558	18,992,689	10,000,000	25,022,912	559,743,610	1,381,474,773	331,490,481	14,379,102	4,823,217	42,064,081	9,032,763	72,868,763	2,129,305	1,336,700	125,441,700	117,164,660	2,876,404,244	152,175,000	.....	13,262,698	75,342,068	124,808,023	176,073,240

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves**	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	29,756,645	50,441,623	3,563,380	565,543	22,058,322	98,615	19,141,049	78,319,891	27,678,689	4,179,211	13,264,618	159,519,528	239,502,287	60,922,215	20,143,549	2,266,283	793,974	1,067,288	11,800,000	12,237,992	1,420,787	12,000,000	1,503,244	468,127	772,712,870
Nova Scotia	9,260,298	7,173,929	1,107,133	1,984,296	9,642,958	....	3,254,838	32,183,125	11,276,075	13,006,152	20,706,356	11,771,217	72,771,210	24,044,908	4,498,746	359,472	40,945	96,130	7,173,004	6,807,145	488,026	4,500,000	....	147,712	242,293,786
Toronto	432,170	5,740,130	577,435	66,558	4,560,189	....	1,607,472	17,414,814	2,764,769	3,764,269	8,270,328	....	55,871,396	....	1,924,242	169,490	....	207,760	3,338,107	1,463,896	256,775	3,055,866	....	....	111,485,674
Provinciale	200,199	506,675	606,775	73,040	1,760,926	4,884,614	230,699	4,880,414	1,364,245	3,965,806	8,303,222	....	15,492,027	....	1,804,309	141,480	460,487	104,873	1,841,587	11,150	158,400	....	....	212,124	47,003,058
Commerce	12,369,924	14,493,572	2,344,495	1,083,082	16,966,054	888	17,245,780	50,702,069	26,386,519	9,141,092	25,980,915	38,490,465	186,306,810	32,973,059	20,002,597	1,816,118	2,151,521	971,333	11,687,847	13,797,612	1,000,000	11,000,000	1,803,937	334,105	499,049,807
Royal†	11,606,877	19,385,111	3,712,296	15,852,731	23,944,381	3,305	23,386,365	67,154,352	27,279,935	18,768,278	30,387,513	66,360,507	187,798,141	171,615,754	5,980,135	2,537,320	2,074,868	1,339,118	14,586,754	33,231,277	1,245,000	12,000,000	1,936,459	515,145	742,701,632
Dominion	2,161,937	5,198,736	1,143,150	163,432	6,301,061	139	1,486,810	15,620,505	4,942,389	2,345,081	8,680,161	5,362,805	53,841,758	1,611,082	591,219	262,661	35,846	37,471	5,724,163	3,129,731	310,000	800,000	....	453,840	120,203,988
Standard	518,153	8,530,917	509,248	47,492	5,795,556	....	885,263	10,308,466	2,858,536	2,875,648	9,828,838	....	39,493,951	....	1,717,989	484,400	315,552	263,870	3,712,934	483,460	250,000	1,400,000	....	159,356	90,439,637
Nationale°	952,773	4,724,919	1,577,425	193,951	3,677,919	1,085,520	774,220	20,720,603	10,616,838	1,331,201	6,200,213	....	56,605,138	1,373,042	7,845,902	192,241	1,218,756	975,899	5,503,018	870,850	281,035	5,500,000	....	326,571	132,548,044
Imperial	1,020,111	4,986,273	955,443	140,958	6,121,223	952,766	2,192,545	15,956,395	6,679,502	59,703	10,582,668	8,200,000	52,867,848	....	5,989,072	406,735	602,499	589,031	4,933,913	835,529	335,221	3,004,466	....	356,320	127,768,230
Weyburn Security	26,197	51,902	31,530	1,323	29,578	1,192,020	56,327	1,039,627	9,314	299,666	....	300,000	1,990,383	301,331	5,465	43,734	182,046	136,709	249,806	....	27,532	100,000	....	71,011	6,145,507
Total	68,305,284	121,233,787	16,128,310	20,172,406	100,858,167	8,217,867	70,261,368	314,300,261	121,856,811	59,736,107	142,204,832	290,004,522	962,540,949	292,841,391	70,503,225	8,680,034	7,876,494	5,789,482	70,551,133	72,868,642	5,772,776	53,360,332	5,243,640	3,044,311	2,892,352,23

**Of this deposit, $26,910,833 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank of Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

°The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, MARCH 9, 1927.

Pulp & Paper

PORT ALFRED'S ANNUAL REPORT IS SATISFACTORY

Despite Expansion Program, Earnings Have Increased — $2.30 on Common

From Our Own Correspondent.

MONTREAL.—With an output of 26,931 tons of newsprint during the year compared with a present rated capacity of some 135,000 tons per annum, the Port Alfred Pulp and Paper Corporation's annual report covers a period of construction activity, but at the same time shows a substantial increase in the earnings and makes very satisfactory reading for the shareholders. Not only was the company able to improve its gross and net earnings but also the liquid position has been well maintained. Port Alfred has always occupied a strong earning power position and earnings in 1925 resulting only from the manufacture and selling of sulphite pulp were sufficient to meet all charges on the two newsprint machines which were being installed at that time.

Income Figures Compared

The income account figures and working capital figures at the close of the last two fiscal years compare as follows:

	1926	1925
Gross op. prof.	$1,260,299	$ 921,935
Gen. expense	119,989	63,518
Balance	1,140,940	858,417
Interest	381,825	305,965
Balance	759,115	552,452
xDepreciation	260,363	239,357
Net profit	498,751	313,095
Pfd. dividend	222,121	47,945
Surplus	276,629	265,150

xIncluding depletion allowance.

Working Capital Position

	1926	1925
Curr. assets	$3,197,352	$2,919,507
Curr. liabilities	1,628,366	1,599,763
Work. capital	1,568,486	1,319,744

Expansion in Year

The period covered by the report was one of marked expansion, and there are many changes in the balance sheet, including an increase of over $18,000,000 in the total assets, which now stand at $30,764,426. The balance sheet now reveals a financial picture of the company's position at the close of its large programme of expansion.

The property account is carried at some $27,500,000, as compared with $8,951,881 last year. Cash account stands at $79,357, as against $19,295 at the close of 1925. Investment account stands at $56,445—an increase of some $8,000. Inventories are carried on the balance sheet at $2,114,729, as against $1,389,846 last year. There has been a satisfactory decline in deferred charges from $143,444 last year to $85,167.

Th total bonded indebtedness stands at $5,750,000, an increase of some $700,000. The company also has outstanding $3,005,000 in notes, as against $600,000 a year ago. The preferred stock has been increased from $2,020,000 to $6,000,000.

Last year the company carried its 60,000 shares of no par value stock on its books at $800,000. At present there are 85,449 shares outstanding, and the remaining authorized issue, totaling 120,000 shares, has been entirely subscribed for. On these 120,000 shares the earnings were equivalent to $2.30 per share. The 120,000 shares of common stock are carried on the books at $13,012,210.

Reserves have moved upward from $599,299 to $856,809. Surplus account stands at $511,540, as compared with $263,089 last year. The bank loans have been reduced from $720,000 to $635,000.

The President's Remarks

In his remarks to the shareholders, George M. McKee, the president, says in part:

"The production of sulphite for sale, as pulp, during the year was 42,128 tons, all of which was widely distributed to paper mills in the United States and Canada at slightly higher net prices than the previous years.

"The construction work started last year for the erection of a four-machine newsprint mill, with a rated capacity of approximately 450 tons of paper per day, was carried on throughout the entire year. No. 1 machine was put into operation in June; No. 2 machine was put into operation in August; No. 3 machine went into operation in November, and No. 4 was ready for operation at the end of December. The production of newsprint for the year was 26,931 tons.

"An additional digester and new acid system, with the necessary auxiliary machinery, was installed during the year; this will enable your corporation to have for sale approximately 35,000 tons of sulphite pulp per year—after providing the necessary sulphite for the newsprint mill.

"During the year your directors decided it advisable to add additional wood to the timber reserves of the corporation. In August your corporation acquired a one-third interest in the Anticosti Corporation, owners of the Island of Anticosti, situated in the Gulf of St. Lawrence. The island is conservatively estimated to contain 15,000,000 cords of pulpwood.

"While the corporation have had on hand the extensive construction programme, the maintenance and repairs of the properties have been carefully looked after; many improvements have been made which will eventually assist in the reduction of costs."

Forest Fire Loss Million Dollar Less

From Our Own Correspondent.

VANCOUVER. — Forest wealth saved is forest wealth earned, these days; and fires last year were reduced by 400 from the total of the year before, being 2,147 all told. A large number of these were caused by lightning during the dry season, when, however, extra precautions were taken and special preventive rules laid down in the logging camps. The money loss by forest fires in 1926 is estimated at a million less than the year before. Rentals, licenses, stumpage, royalty, etc., brought in $3,600,000. The forest expenditure cost $445,854 exclusive of protection.

ABITIBI REPORT SHOWS INCREASED PROFITS IN YEAR

Strong Position Has Been Improved — Earns $11.56 on Stock

From Our Own Correspondent.

MONTREAL.—Despite the reduction in the price of newsprint at the beginning of 1926, the Abitibi Power and Paper Company was able to produce an annual report with operating profits slightly in excess of the 1925 total; the satisfactory showing was due in part to the increase in the average production of each of the company's newsprint machines during the year.

The strong earning position of the company is revealed in the following figures which compare the income account and working capital figures over the past three years:

	1926 $	1925 $	1924 $
Receipts	....	10,364,677	10,686,859
Expenses	....	6,124,339	6,301,306
Op. profit	4,254,594	4,240,337	4,384,553
Interest	539,780	611,420	762,259
Balance	3,714,813	3,628,917	3,623,294
Depreciation	597,818	539,000	625,505
Balance	3,116,995	3,089,916	2,997,789
Income tax	155,000	220,000	190,000
Net profit	2,961,995	2,869,916	2,807 789
Pfd. div.	70,000	70,000	70.000
Balance	2,891,995	2,799,916	2,737,789
Com. div.	1,062,500	1,000,000	1,000,000
Surplus	1,829,495	1,799,916	1,737,789
Prev. balance	6,984,105	6,705,650	6,204,007
Total	8,813,601	8,505,567	7,941,796
†To reserves	965,707	1,521,467	1,236,143
P. & L. bal.	7,847,893	6,984,105	6,705,650
On common	$11.56	$11.19	$10.95

†Transferred to depreciation reserve.

Working Capital Position

	1926	1925	1924
Curr. assets	x$4,477,772	$4,624,664	$3,949,690
Curr. liabs.	1,345,162	1,301,024	1,314,693
Work. cap.	$3132,610	$3,323,640	$2,634,997

xIncluding investments in securities of other companies and in company's own bonds purchased for redemption.

For the first time, the company refrained from showing in the report its total receipts and expenses and the income account figures this year commenced only with the total operating profits. This method of accounting conforms to the practice of the majority of paper companies.

From the foregoing working capital figures it will be seen that despite the new developments entered into during the year, the net working capital declined only fractionally.

With the exception of the cash account which stands at $951,556 as compared with $1,623,953 at the close of 1925, the changes in the accounts carried under current liabilities and current assets were not of a significant character. A new item made its appearance among the current assets totaling $781,187, representing investments and securities of other companies and the company's own bonds purchased for redemption.

The ordinary investment account has increased from $2,637,337 at the end of 1925 to a present total of $3,960,669. The property account is carried on the books at a figure of $562,795 higher than last year. The surplus account shows the satisfactory increase noted in the foregoing income figures and the depreciation reserve now stands at $10,316,441—an increase of $1,563,526 during the year. Total assets show an increase of $1,700,000, and the whole exhibit shows that the company has added further strength to its satisfactory position.

The remarks of the president, Alexander Smith, are brief. They follow in part:

"Fixed assets were increased by the expenditure of $1,886,086 on the company's mills, railroad, townsite and new power plant. $690,000 of the company's bonds were paid and cancelled. Current payables were kept to the lowest practicable point, and total surplus and reserves were increased $2,424,528.

"During the year the company purchased a substantial interest in Manitoba Paper Company Limited, and in St. Anne Paper Company Limited, and since the end of the year has acquired complete ownership of the Mattagami Pulp enterprise now known as Abitibi Fibre Company, Limited.

"The average production per machine during the year has again shown a substantial increase, which reflects the continued efficiency of your manufacturing organization."

St. Maurice Valley Report Arouses Great Interest

From Our Own Correspondent.

MONTREAL.—Within the next few days, the first annual report of the St. Maurice Valley Corporation will make its appearance. Much interest surrounds its publication, for up to the present the holders of the corporation's securities have had but little means of judging its earning capabilities. The St. Maurice Valley Corporation came into being a year ago as both an operating and holding company. It acquired at that time the St. Maurice mill at Three Rivers and also practically all the common stock of the Belgo Canadian Paper Company. Within recent months it acquired all the outstanding common stock of the Canada Paper Company.

International Paper Changing U.S. Mills

From Our Own Correspondent.

MONTREAL.—With its new Gatineau newsprint mill scheduled to begin operating immediately, the International Paper Company is taking steps to switch the production of some of its U. S. newsprint mills over to the production of other papers. In this fashion it is anticipated that the production which will shortly come from the new Chelsea mill will to a large extent take the place of newsprint formerly produced by the company's U. S. plants.

Work has already been started on the conversion of the Fort Edward mill of the International Paper Company into a specialty paper mill. The work will be pushed to completion as quickly as possible, and it is expected that the new plant will be in operation in less than a year. 400 to 500 men and women will be employed in the plant.

The plans contemplate the re-development of the hydraulics, and changes in the steam plant and sulphite mill as well as in the paper mill.

St. Lawrence Pulp & Lumber Will be Reorganized Soon

From Our Own Correspondent.

MONTREAL. — The reorganization plans of the St. Lawrence Pulp and Lumber Company are to be carried out, for the date set for receiving objections from the bondholders has expired without any objections being made. The investment house of Greenshields and Company recently proposed that the bondholders form a new company and take all the common stock. The investment house would then undertake to provide financing which would allow the company to carry on more successfully. This plan will probably be carried out.

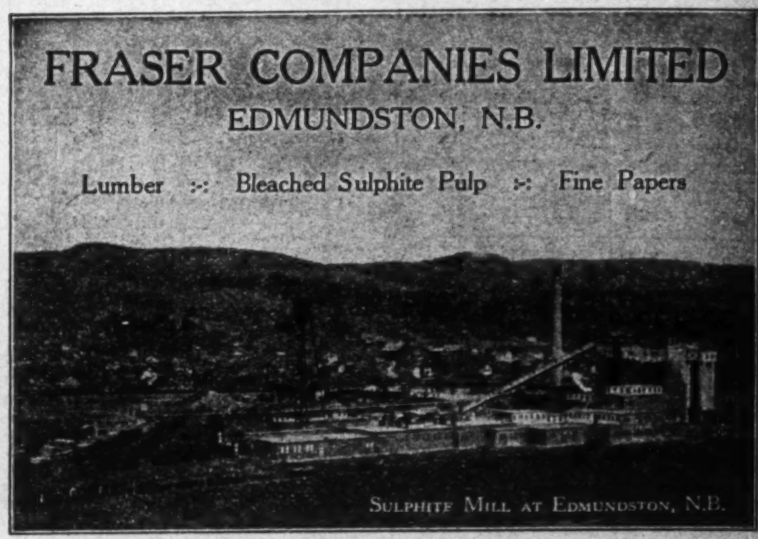
Lake St. John Paper is Carrying on Construction

From Our Own Correspondent.

MONTREAL.—The Lake St. John Power and Paper Company has made satisfactory progress with such construction work as could be carried on during the winter months, and with such material as could be transported over the winter roads. The completion of the railway line from St. Felicien to Mistassini will facilitate greatly the progress of the company's operations. The mill will be ready for production before the close of the present year, with an initial capacity of 220 tons per day. The plant has been so designed that the capacity can be increased to 440 tons per day.

The Spanish River Pulp and Paper Mills Ltd.
SAULT STE. MARIE, CANADA
Manufacturers of News Print Paper

Production—720 tons daily.
Mills at
Sault Ste. Marie, Espanola, and Sturgeon Falls, Ont.



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Sulphite Mill at Edmundston, N.B.

Abitibi Power & Paper Company
Limited
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Annual Capacity: 150,000 Tons of Groundwood Pulp. Mills at Chicoutimi and Val Jalbert, P.Q.
Quebec Pulp and Paper Mills
Limited
Executive Office: CHICOUTIMI, P.Q.
Cable Address: "SAGUENAY, CHICOUTIMI"

The Laurentide Company
Limited
Manufacturers of
Ground Wood - Sulphite Pulp
Wood Boards and Newsprint Paper
GRAND'MERE - QUEBEC

Automobile and Piano Paper
MANUFACTURERS FINANCE CORPORATION LIMITED
TORONTO, Federal Building
AUTHORIZED CAPITAL - $6,500,000

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Newsprint and Sulphite Pulp
HEAD OFFICE:
CANADA CEMENT COMPANY BUILDING
MONTREAL, P.Q.
Mills at PORT ALFRED, P.Q.

SCIENCE and SURFACES
with regard to bond papers

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To appearances the sheet may be good—its color—writing surface, thickness, strength and finish—all that could be desired—to-day. But what of to-morrow—ten, twenty, thirty years hence. Will it then be paper or powder?
Time—and Science—alone can tell.
Science tells us how to make a bond paper but it is experience in the application of science that results in the Art of making a bond paper on whose surface written records that must live throughout the years may safely be entrusted.
Thus was Superfine Linen Record conceived—for permanency as well as beauty. For nearly half a century Science and experience have combined to produce this crisp, crackly, durable bond paper of proven worth. The beautiful surface of Superfine Linen Record is an indication of its true quality through and through.

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THE ROLLAND PAPER COMPANY LIMITED
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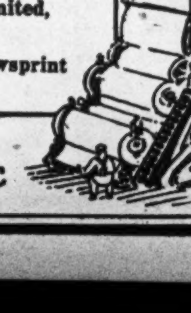
St. Maurice Valley Corporation

Successors to
Belgo-Canadian Paper Company, Limited, Shawinigan Falls, P.Q.
St. Maurice Paper Company, Limited, Three Rivers, P.Q.
Yearly Output—195,000 Tons Newsprint
Head Office:
MONTREAL-QUEBEC



Wabasso Cottons
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THESE famous cottons stand up better to strenuous wear and frequent washings. And they retain their fineness of texture, their lasting beauty of appearance much longer.
The new Wabasso Silks are attractive fabrics made from finest Combed Yarns and Celanese. They are as pretty as the Rainbow.
THE WABASSO COTTON COMPANY LIMITED
Three Rivers, Que.

Ontario Will Control Expansion of Pulp and Paper Industries

By HON. WILLIAM FINLAYSON, Minister of Lands and Forests, Ontario.

Ontario plans an extensive forestry programme that will provide a continuous supply of timber for its saw mills and paper mills. The programme was outlined recently in the legislature by Hon. Mr. Finlayson. The Ontario scheme is a forward step of tremendous importance to all Canada and The Financial Post has been able to make arrangements for a verbatim transcript of the minister's speech. Last week an outline of the new forestry policy was given. This week (reversing what might have been a more logical order) Mr. Finlayson's views on Ontario's forestry problem are given.

The pioneers of Ontario looked on trees as being an enemy that had to be conquered and moved as rapidly as possible, and it is a very sad matter now to contemplate the enormous loss of wealth in the removal of valuable timber from the farms of Southern Ontario, by burning in the process of clearing.

It is a remarkable coincidence that this year forms the one hundredth anniversary of the business of the province of Ontario in the sale of timber. In 1827 the Department of Crown Lands made the first sale of timber in what is now Ontario, receiving the sum of $360 in that year.

Revenue Now Nearly $5,000,000

The business has steadily grown until during recent years the receipts from the sale of timber have amounted to between four and five million dollars each year.

We have used our wealth of timber in a very extravagant way and in olden days we were in the habit of speaking of the timber wealth of the province as being inexhaustible and using other extravagant adjectives. Recently we have been forced to realize that this is not correct and it is time that the province commenced to take stock of its timber resources, and make an effort to realize our position, and set our house in order, and accommodate our legislation and general policy to the altered conditions.

In former days the province disposed of the timber with simple permits to cut on payment of small dues, and later on picturesque auction sales were held of large blocks of timber, and very considerable sums realized. No effort was made to provide for economical cuttings by the purchasers, and in fact all the regulations encouraged the lumberman to cut and dispose of his holdings as rapidly as possible. Most wasteful methods were indulged in both in the camps and in the sawmills and the amount of lumber that has been consumed in the burners of Ontario is beyond realization.

Have Not Sold Land

In one respect we can claim a little credit, in that we have not been quite as short sighted as some of our neighbors, we did at least retain the fee of the land in the crown and simply issued licenses to cut for one year and these were renewed from year to year, so that the ownership of the soil remained with the state.

The first licenses that I can find a record of were issued in 1838, and some of these are still in force, at least in part. This means that for eighty-nine years the crown has been renewing these licenses from year to year. This is certainly an evidence of good faith and on it the business has grown up and the lumbermen have relied on the continuity of policy, and the banks have been in the habit of making advances relying on such renewals.

Renewals Must be Granted

It is extremely important for the credit and financial standing of the lumber trade that these renewals should be granted and that the crown should continue to act in the same manner with the same exhibition of good faith, even if it is at a loss to the province.

In connection with this policy may I point out that we are in a much more fortunate position than many other provinces and states where the government actually sold the land as well as the timber, with the consequent result that it is impossible, or extremely expensive, to attempt any restoration of the timber wealth.

Anyone studying the statistics must be struck with the fact that we have to face a declining revenue from lumber, and it is quite apparent that the province cannot count on the large and buoyant revenues from timber sales that we have had in the past.

An effort is being made, and with a considerable measure of success, to meet this by improved methods both in cutting and in the preservation of the timber. As one example of this may I cite our fixed policy to insist on the discontinuance of the old method of axe-made ties and to substitute ties made in saw-mills. There was an enormous waste in the manufacture of ties by the old method, by hewing with axes. Not only was the loss in material enormous, but the consequent danger from fire from debris was tremendously increased.

Pulp and Paper Industry Rises

By way of contrast to the declining revenue in connection with lumber, we have been encouraged and assisted by the enormous growth and expansion of the pulp and paper industry. I find we made our first transaction in pulpwood in 1891 and since then the growth of the industry has been startling.

In that comparatively short period Canada has invested in the pulp and paper industry $500,000,000, and the daily output to-day in Canada is 8,000 tons of paper. In Ontario we produce paper at the rate of 2,600 tons per day at present, and we have mills and extensions under construction that will increase our daily output within the next three years in Ontario to 4,500 tons of paper per day.

One of the most remarkable developments in Ontario is at Iroquois Falls, where a new town has sprung up during the last few years with magnificent municipal development and one of the most modern plants in the world. It is a very interesting sight every night to see the newsprint train leave that plant, the Abitibi Pulp and Paper Co., with 22 cars of newsprint going out in each train load. This goes on every night during the year.

The plant at Kapuskasing, also on the Canadian National Railway, will be in operation at an early date and sending out similar train loads every night.

Helps Our Dollar Exchange

The enormous export of newsprint to the United States has perhaps done more than anything else to stabilize the rate of exchange and to improve the Canadian balance of trade so that frequently the Canadian dollar has been above par in New York.

In this connection, I would like to state frankly that the government are hesitating as to any further immediate extensions of the pulp and paper industry. We have commitments calling for very large further extensions, and the area of crown lands has been largely taken up. One cannot help hesitating and wondering as to the ability of the market to absorb the enormously increased production of newsprint. Under these circumstances it is felt that it is perhaps better at the moment not to encourage absolutely new enterprises, and to retain in the crown the pulp lands that have not been granted.

Sees Danger of Exhaustion

The government are forced to recognize that there is danger of exhaustion of our timber resources and that the province must face the situation, and we wish to frankly place it before the public and to invite the assistance of this house and the province at large in the inauguration of a new policy looking towards the perpetuation of the timber resources of the province.

We must recognize that most of the convenient stands of timber are gone and that we are rapidly consuming the timber that was not considered well situated a few years ago, and we must also recognize that the remaining timber is not advantageously located and can only be marketed with an expenditure of considerable sums of money in transportation. It is true that this difficulty has been largely overcome by improved and extended means of transportation, but the consideration of our timber policy is forced on the government and it is a convenient time to consider it and to lay the facts before the province at large.

We are not bankrupt in respect to timber, and we still have in the province very large holdings of timber, and probably the finest stands of white pine in the world.

Have 50 Years' Supply

We have carefully investigated the remaining holdings in the province, both of public and privately owned timber. We believe that we have at least 12,000,000,000 feet of white and red pine standing. The present consumption of red and white pine is about 225,000,000 feet per year, and at this rate we have a supply for at least fifty years, without any question of reforestation or new growth.

These figures are reassuring, but at the same time they only represent the residue of an enormous wealth of red and white pine and it is absolutely essential that we should bend all our efforts now toward the re-establishment of the industry and to placing it on a permanent basis. I have had compiled some figures showing the annual value of the timber industry in Ontario. These are based on an average of the five year period from 1920 to 1924, and represent the annual value of the forest industries in the province of Ontario in the different classes set out below:

Industry	Volume of Timber Consumed	Value of Product at Place of Production
Lumber, lath, shingles, sawn ties, etc.	979,185,000 Ft. B. M.	$37,387,009
Pulp and paper	1,256,589 cords	66,642,890
Pulpwood exported (est.)	427,194 cords	3,330,116
Fuelwood—(farms) (census 1921) ...	2,855,675 cords	12,229,550
		$119,589,565

Such an industry must be saved and the government invites the co-operation of every member of the house and of all public spirited citizens of the province in a determined effort to place the lumber industry on a permanent basis.

Fire Always Big Danger

Let me first draw to the attention of the house the greatest enemy the lumber industry has, and an enemy who, like the poor in Scripture, is always with us. I refer to the appalling losses of timber that have been going on for generations from fire.

It is very difficult or impossible to get any accurate figures as to the losses of timber, both standing timber and the manufactured lumber, from fire. I think, however, that there can be no doubt that the statement is true that far more timber has been consumed by fire than was ever usefully employed in the arts and manufacturing in this country. This destruction has been going on for years and it is only in recent years that any systematic attempt has been made to cope with this menace.

Every year we have the same number of fools starting fires in the bush and the same number of idiots who insist on throwing away lighted cigarettes and cigar stubs and generally neglecting to take precaution. We have not been able to prevent this and the number of fires that start seem to be about the same. We do appear, however, to have made great progress in checking the fires and getting them out before much damage has been done.

Use Aircraft to Advantage

My predecessor in office, Hon. James Lyons, took advantage of the lesson of the war, and probably during the war more progress was made in aircraft than in any other form of endeavor, and Mr. Lyons boldly applied all this work to fire protection and established what is probably the finest commercial air service in America, with what is certainly the best aerodrome, at Sault Ste. Marie, Ontario.

All over Northern Ontario air stations have been established where there are one or two planes stationed, and these are in constant patrol when there is a fire hazard, and I think it is fair to state that the result is that we have been able to detect and put out fires when they are burning very small areas instead of allowing them to grow until whole townships are being consumed.

Manitoba Paper Expands

MONTREAL.—The Manitoba Paper Company has let further contracts totaling $1,500,000, thus bringing the total expenditure on its plant at Pine Falls up to over $8,000,000. The new contracts provide for the expansion of the company's output to 250 tons of newsprint daily. It is anticipated that the second machine will begin operating by May. The first newsprint machine went into operation at the close of 1926.

Abitibi Makes Records

MONTREAL.—All through 1926 the Abitibi Power and Paper Company's mill kept creating new production records. Now comes the news that its new subsidiary, the Abitibi Fibre Company has created a production record of 4,800 tons during the 28 days of February. The entire production was shipped to and sold in the United States. The sulphite subsidiary recently started a new 100-ton jenssen acid system, and the results so far from the equipment have surpassed expectations.

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MONTREAL TORONTO WINNIPEG VANCOUVER

The Cuban Government, seeking to enlarge its trade dealings with Canada has moved its Consul-General, Dr. P. A. Bonet, from Halifax to Ottawa.

The People of
SASKATCHEWAN

A cross section of the population of the Province of Saskatchewan would resemble that of Ontario in many respects—preponderantly British, with here and there settlements of people of other origins.

The people of Saskatchewan are no longer in the pioneering days. Very few live a great distance from railroads, and by far the large majority are members of thriving communities, with business and social interests just as in the older settled parts of Canada.

Very industrious, they find time for home amusement, and engage in every kind of sport. Their taste for good things prompts careful consideration in buying, but they do not stint themselves on necessities, and their free and easy way of living brings a natural desire for luxuries which they are well able to afford.

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SASKATCHEWAN
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Saskatchewan's Dominant Dailies, together with Saskatchewan's only Farm Magazine, give Maximum concentration, tremendous buying power and complete coverage in this Great Market at an unusually low outlay.

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A Treasure House
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In the crypt of an old English cathedral may be seen a pillar with a removable stone. Behind this stone, the monks of old used to keep the treasures of the abbey safe from robbers.

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Bay and Melinda Streets, Toronto.

8

Public Utilities

MONTREAL TRAMS SUBMITS RAPID TRANSIT PLANS

Will Lay Plans Before City Council Before End of Year

PROBABLE EXPANSION

Tramway Service of City Loaded to Capacity — Expansion Would Benefit Shareholders

From Our Own Correspondent.

MONTREAL. — It is understood that during 1927 the Montreal Tramways Company, with the approval of the Montreal Tramways Commission, will submit a rapid transit scheme to the city of Montreal for approval. The plans which the company will submit to the city will include alternative underground and overhead systems.

The city of Montreal is fast reaching the point where the operation of further cars on the tramway lines will reduce, instead of increase, their efficiency. For instance, during peak periods, over 400 cars pass a corner in one of the downtown sections. It can be seen that the addition of further cars to the lines operating past this corner would only reduce the speed of operation and not allow the handling of a greater number of passengers.

Thus, over the past year, both the company and the Montreal Tramways Commission have been working out the rapid transit possibilities of the city. The work of the engineers will bear fruit this year when the company lays its plans for approval before the city council.

Financing is a Problem

Overhead rapid transit service is expensive and underground service even more so. For expansion along these lines, the chief problem which the city of Montreal and the tramways company will have to meet is one of financing. Some cities have paid part of the cost of such work, others have assumed the whole debt and others have worked out similar arrangements which allow the operating company to obtain a fair return on its capital investment.

It is thought that the plans which will be presented to the city will provide for the transference of passengers from the surface lines to the rapid transit lines on the one fare. In other words, the projected development would be operated as one of the departments of the Montreal Tramways Company.

The fact that these plans are being worked out and the fact that the time for such development is nearer than is generally thought should prove satisfactory to the shareholders in the company—that is, those who are holding the stock as a long term investment.

No Immediate Development

No doubt, when work on the new rapid transit lines finally gets underway—and there is no thought that this will take place in the immediate future—there seems to be every reason to presume that the shareholders of the Montreal Tramways should fare satisfactorily for no doubt they will be offered rights to new stock, or other means will be taken to let the present shareholders of the tramways participate in the future traction developments in the city.

The company operates under a satisfactory franchise—satisfactory, not only from the shareholders' point of view, but also from that of the city of Montreal—and when the time comes for Montreal Tramways to operate rapid transit lines no doubt both the city and the company will be able to arrive at as fair an agreement covering such lines as has been arrived at on the ordinary surface traction system. Under its present contract with the city of Montreal, the company is practically assured of, and obtains, a fair return on its capital and the city of Montreal also benefits both financially and in the quality of service which is maintained.

CANADA NORTHERN ADDS 20,000 H.P.

Power Demand Necessitates Doubling Generating Capacity at Quinze Plant

From Our Own Correspondent.

MONTREAL.—The Canada Northern Power Corporation is to increase the capacity of its plants by 20,000 h.p. This will be carried out entirely at the Quinze plant, which now produces 20,000 h.p. The addition to the plant and the two new 10,000 h.p. turbines, will cost something over $1,000,000. The reason for increasing the corporation's generating capacity lies in the ever-increasing power demands of the northern mining districts, especially in and around Rouyn township.

The construction work on the new extension will begin about April 1 next, and the plant will be delivering a total of 40,000 h.p. by April of next year. The total generating capacity of the Canada Northern Power Corporation and its subsidiaries now totals some 76,000 h.p., so that this extension will mean that the company will have close to 100,000 h.p. at its disposal by 1928.

Owned by Subsidiary

The Quinze plant is owned by a wholly-owned subsidiary of the Northern Canada Power Company which, in turn, is controlled by the Canada Northern Power Corporation. It is not known yet how the necessary financing will be carried out. It could be accomplished either by the Northern Canada Power Company, or by the Canada Northern Power Corporation. But, since the Canada Northern acquired control of all the power companies serving the northern mining camps, the tendency has been toward merging the identity of the subsidiary companies under the Canada Northern Power. Thus it is anticipated that the parent company will carry out the financing rather than the subsidiary.

The Canada Northern Power Corporation is a subsidiary of the Power Corporation of Canada. The former's subsidiaries include the Northern Canada Power, the Northern Ontario Light and Power, the Porcupine Power and Telephone, and the Great Northern Power Corporation.

Quebec Power to Split Stock Soon?

From Our Own Correspondent.

MONTREAL. — The buoyancy in the Quebec Power Company's shares has convinced many investors that a split in the stock is coming shortly and that probably this may be accompanied by an increased return to the shareholders.

Thus, during the past week or two many thousands of brokers' order slips have been destroyed by speculators furiously scribbling intricate mathematical calculations and endeavoring to ascertain whether the stock will continue to rise. There are many who believe that a split in the shares would cause a still further appreciation in the stock of the company. Here is the way a few speculators figure it out:

The stock is now selling without the right to subscribe to three new shares at par for every ten held; it changes hands at say $216 a share. Quebec Power stock is paying $7 a share annually at the present time. Should the stock be split three for one, a $3 dividend on the new shares would be the equivalent of $9 on the present stock—but such a large increase in the dividend hardly seems probable at the moment. Therefore, it is said that perhaps the company may split its stock into four new shares of no par value for each share outstanding at present. It could then afford to pay on its new stock $2 per share which would be the equivalent of only $8 on the present stock.

Will Stock be Split?

Some speculators believe the company will split its stock four ways. Those who purchased the stock at a market price of about $215 a share might eventually hold four shares, paying $2 each annually and selling at an indicated market value at present of $54 per share.

Some say that should this take place, with Montreal Power and Shawinigan both paying $2 a share per annum and selling at over $70, it is felt that the Quebec Power Company's new stock, if, as and when it is issued, should sell considerably higher than $54 per share. Hence, there are many speculators who have purchased stock at its present high level, feeling that they will obtain a profit, if such a split occurs. The more conservative investor, however, feels that the split in the stock is still some distance away.

According to the last figures available, the Quebec Power has outstanding 76,187 shares of common stock. The issue at par of three new shares for every ten held, means that this capitalization will be increased by 22,856 shares, making a total outstanding of 99,043 shares, of which the Shawinigan Water and Power Company will own 50,000 shares—or just slightly over 50 per cent. of the total stock capitalization.

Anglo-Newfoundland Will Develop Further Power

At the annual meeting of Anglo-Newfoundland Development Company, in London, Eng., reference was made by E. A. Sursham, chairman, to possible over-production of newsprint. He said:

"During the year a great expansion has taken place in the newsprint industry both in Canada and other parts of the world. On the other hand, the United States, which is by far the greatest consumer of newsprint in the world, absorbed most of this extra production quite readily. The imports of newsprint into the United States in 1926, according to the latest figures available, were greater by no less than 403,000 tons, showing an increase of 27 per cent. over the previous year's figures. Each year the demand for newsprint in the United States seems to grow at a remarkable rate.

Although it is perhaps unwise to make prophecies in regard to the future, your directors recognize that the present large increase in output may possibly result in some temporary over-production and consequent low prices. Nevertheless, they feel convinced that the continuous and large growth throughout the world in the consumption of newsprint must eventually absorb all this production and result in a more satisfactory position for all those mills which, like our own, are the owners of pulpwood forests."

Mr. Sursham announced that a further large water power development would take place at the company's mills at Grand Falls, Newfoundland.

May be Power Project on Cape Breton Island

From Our Own Correspondent.

MONTREAL.—There seems to be a possibility of the Nova Scotia Power Commission developing further power on Cape Breton island to supply Sydney. Two plans of development are possible: steam from the pit mouth at Sydney or a hydro electric plant at Lake Ainslie.

There has been some agitation for the development of hydro electric power on Cape Breton island partly due no doubt to the belief that such a development would provide cheaper power. Many of those who know the situation feel that the hydro electric site at Lake Ainslie would not result in any reduction in the present cost of power.

There seems to be no possibility of any immediate action being taken on such a project and, in the event of it being carried through eventually, the Cape Breton Electric Company has indicated its willingness to purchase a supply of power if, as and when it becomes available. The company is not opposing in any way the idea of obtaining power from a cheaper source.

MTL. TRAMWAYS REPORTS HIGHER EARNINGS FOR '26

Company Experiences Improved Earnings on Common Stock

From Our Own Correspondent.

MONTREAL.—The annual report of the Montreal Tramways for the 1926 fiscal year indicates that the worst years of tramway operation are past and that for the future the outlook for this particular public utility is encouraging. The franchise under which the company operates provides for a definite distribution of the earnings. Certain sums are available for the company and certain sums must go to the city. The following figures show the distribution of the earnings during the last three fiscal periods; the company changed the date of the close of its fiscal year from June 30 to December 31 in 1925, hence the preceding annual report covered a six months period only:

	Year 1926	Half year 1925	Year ended June 30 1925
	$	$	$
Gross. rev. ...	12,899,602	6,305,491	12,476,566
Exp.	9,508,480	4,678,590	8,950,945
Net earn.	3,391,122	1,626,901	3,525,621
Distributed as follows:			
Company . ..	2,641,430	1,286,185	2,460,552
Fin. exp. . ..	181,431	90,716	181,431
City rent. ...	500,000	250,000	883,638
Total	3,322,861	1,626,901	3,525,621
Balance	68,261	....	....
	3,931,122	1,626,901	3,525,621

Surplus of $68,261

From the foregoing figures it will be seen that the earnings during the year were large enough to provide the full annual payment of $500,000 to the city and to leave a surplus of $68,261. This sum goes to the company and is placed at the credit of contingent reserve. The company is allowed to build this account up to $500,000. The $68,261 is the first payment to be made into contingent reserve, which is now carried on the books at this figure.

The company is allowed annually a sum of $181,431 to cover the cost of new financing. This sum was credited to reserve for financing account, which is now carried on the books at $329,111. The $2,641,430 allowed the company on its capital invested was added to the company's profit and loss account. The profit and loss figures over the past three fiscal periods compare as follows:

	1926	1925	1924
Under contract	2,641,430	1,286,185	2,460,552
*Interest	32,916	5,446	....
†Op. prof. ...	55,276	26,606	50,684
Other rev. ...	76,104	36,588	65,704
Total rev. ...	2,805,726	1,354,826	2,576,940
Int. etc.	2,126,567	1,033,335	1,953,146
Net inc.	679,159	321,491	623,794
Divids.	400,000	200,000	400,000
Surp.	279,159	121,491	223,794
Prev. surp. ..	1,014,038	892,547	668,753
Total	1,293,197	1,014,038	892,547
% earned on stock . .	16.98	8.03	15.59

*Allowed company on motor bus investment.
†Certain sums annually allowed company under its franchise.

Balance Sheet Changes

Changes in the balance sheet, as compared with the last annual report, were of a satisfactory nature. Fixed assets are up by $2,000,000, and the reserves and surplus accounts have increased by $862,000.

In his remarks to the shareholders, Julian C. Smith, the president, said that the company had increased the number of motor buses from 24 to 55 during the year, and that increased garage space was also provided.

The many extensions and improvements to the property were outlined in the report, and the president points out that the company's relations with its employees is being maintained on a satisfactory basis, and that the wage agreement has been extended up to July 1, 1930.

CONSUMERS GAS WINS APPEAL ON STOCK PREMIUM

Decision for the City Might Have Benefited Shareholders More Than Users

With Justice Riddell dissenting, the appellate division court at Osgoode Hall, Toronto, has delivered judgment against the city and awarded costs to the appellant in the appeal brought by Consumers Gas Co. against the decision of Justice Logie that approximately $1,500,000 of the reserves of the gas company should go into the fund for the reduction of the price of gas.

This sum was acquired by the gas company as premium on stock sold its shareholders a year or two ago. The par value of the stock was $100 and the sale price to subscribers was $150. The special fund applicable to a reduction in the price of gas to the consumer stood at $232,000 at the close of the last fiscal year. When it reaches approximately $285,000, the price will be reduced five cents per thousand cubic feet.

May Not Appeal

It is thought improbable that the case will be carried any further by the city.

The question of the use to which the gas company intended to put the premium acquired in the sale of stock has been hotly debated in political circles, although there is no evidence that consumers were greatly exercised or that the shareholders of the company were gravely concerned. It has been pointed out in behalf of consumers that the capital acquired by the company in this way, assuming that the company uses it in developing the efficiency of the plant, ultimately would accrue to the benefit of the consumers, as there is automatic regulation of gas prices, just as there is a virtual guarantee of return on capital invested at par value of stock.

If the court had decided to uphold Justice Logie's decision, this capital would not have been available for development, which would have brought the company nearer to the point where additional capital, on which dividends would be payable, would have to be sought. And there is nothing in the company's franchise or contract to prevent it from issuing stock to its shareholders at par if it wishes so to do. With this in mind, it is possible that a decision in favor of the city would have been more in the interest of the shareholders than of any other group.

Canadian Celanese Stock in Demand in London

From Our Own Correspondent.

MONTREAL.—On the London, England, market, the preferred shares of the Canadian Celanese have been changing hands of late at about $85 a share and the common has sold at $40. These figures represent a substantial gain in the price at which some of the stock was sold in Canada some time ago. The company's plant at Drummondville, P. Q., is just beginning to put its weaving department into operation; the celanese yarn department will commence operating in September.

The company has issued its first annual report which, from the financial angle, is of little interest because it covers a purely constructional period, but the remarks of Camille Dreyfus, the president, were of a hopeful character regarding the future of the company. He said that with the view of opening up a Canadian market for celanese fabrics as early as possible, preference in erecting the plant was given first to the fabrication section and second, to the yarn production department. During the coming months, the company will use in its fabrication department yarn imported from the United States. The company has erected some twelve staff houses at Drummondville because of the limited number of better class homes there.

New Issue *All Common Stock*

3800 Shares of

Sleeman's Spring Bank Brewery Co. Limited

ESTABLISHED 1850

NO BONDS **GUELPH, ONTARIO** **NO PREFERRED STOCK**

Incorporated under the Companies Act of the Dominion of Canada

Capital $500,000.00, divided into 5,000 shares, par value of $100.00 each.

DIRECTORS
Colonel R. P. Rodgers, D.S.O., Woodstock, Ontario.
Harry O. Sleeman, Brewer, Guelph, Ontario.
John J. Maylor, Merchant, Forest, Ontario.
Major Charles Black, Toronto, Managing Director.
Clifton H. Moore, Druggist, Cobalt, Ontario.

SOLICITORS
Hunter and Hunter, 707 Temple Bldg., Toronto.

AUDITORS
H. T. Jamieson, C.A., Royal Bank Bldg., Toronto.
Edward Sleeman, C.A., Guelph, Ontario.

BANKERS
Canadian Bank of Commerce, Toronto

REGISTERED OFFICE
707 Temple Bldg., Toronto
Telephone: Main 1573

TRANSFER AGENTS
Montreal Trust Co., Ltd., Toronto

REGISTRARS
Union Trust Company, Toronto

The Company

This Company has been formed for the purposes as set forth in the Charter of Incorporation, to acquire and operate the well-known and old-established business of the Spring Bank Brewery, located in Guelph, Ont. This business was established in 1850 and is one of the oldest and best known breweries in Canada. It has the distinction of being the only brewery in Canada which does not pay any water rates in the Municipality in which it is located.

Product Unexcelled

To successfully brew the best grades of Ales, Porter, etc., it is essential that the water forming the base of these products be pure and unadulterated. The Company has received from the Department of Health of the Ontario Government an analysis of the Spring water which supplies the brewery showing that this water is absolutely pure and free from bacilli. No etherization nor pasteurization in process of manufacture. The products will be naturally matured from pure spring water with the best malt and hops obtainable.

Breweries are built around springs—not around Cities. As an illustration, such famous breweries as Bass and Worthington, located in Burton-on-Trent, Younger's, Edinburgh, Scotland; Tennant's, Glasgow, Scotland, and Guinness, Dublin, Ireland, were built on sites specially selected on account of the natural spring water which occurs at all these places. Sleeman's Spring Bank Brewery was located at Springbank for the same identical reason.

Going Concern

The brewery is being taken over as a going concern, and the present equipment, capable of turning out one hundred and twenty barrels per day, is now being, with very small expenditure, increased to allow for a maximum capacity of two hundred barrels per day, and should conditions warrant, the foregoing capacity can be doubled or trebled to meet the requirements of the market. The products of this brewery are too well known to need any further comment.

Profits

With a production of two hundred barrels per day, at an estimated profit of $2.50 per barrel, this amounts to $150,000.00 per year, or thirty per cent. on the entire capital of the Company, being a very conservative estimate.

Management

The Company has contracted for the services of Mr. Harry O. Sleeman, as Master Brewer. Mr. Sleeman, for many years, has been associated with the best practice in brewing. The Company has also been very fortunate in obtaining the services of Major Charles Black, who has had twenty-five years' experience in the brewing trade in England and Scotland, and is well known for his successful and economic management. It is confidently anticipated that with its favorable history and present capable management, this brewery will prove to be an outstanding success.

Appraised Value

The appraised value of this Company's Assets have been fixed at $381,000.00, including brewing license, which has been valued at the nominal figure of $5,000.00 only. The Company will own the property free from all encumbrance and will have available as working capital $215,000.00. Thus, it is apparent that the Company will continue business under the most favorable auspices; and having regard for the favorable conditions and the limited amount of stock to be offered, the shares of this Company should prove highly remunerative to the investor.

Applications for stock will be considered in the order received. In case of over subscription applications not allotted will be returned in full.

ASK YOUR BROKER

(SYNOPSIS FROM CHARTER DATED JANUARY, 1927)

The purposes for which incorporation is sought by the applicants are:

1. To purchase, acquire and take over as a going concern, the undertaking known as Spring Bank Brewery situated in the City of Guelph, Ontario, together with the Buildings, land, plant and equipment with all the privileges and appurtenances.
2. To carry on the business of **Brewers and Maltsters** in all their branches and of Importers, Distributors and Dealers generally in Ales, beers, porter, stout and all similar articles including aerated waters and mineral waters and other beverages and also in connection therewith the business of Custom House Brokers, Warehousemen, Forwarders, Carters and other like businesses and to manufacture, buy, sell and generally deal in any wares, merchandise, articles or effects directly or indirectly relating to any of the said businesses, including barrels, casks, bottles, corks and other like articles connected therewith.
3. **To manufacture**, buy, sell, deal in, distribute, store, **warehouse and export whiskeys** of all kinds, **high wines, alcohol, and spirits and gins** of all kinds and **all kinds of distillery products** and by-products thereof, to carry on the general business of **distilling, redistilling** and rectifying high wines, spirits and alcohol and of compounding and **blending of gins and whiskeys** of all kinds; to manufacture, buy, sell and deal in, store, warehouse, distribute and export grain, molasses and all articles used in connection with the operation of a **Distillery** and to **manufacture, sell, deal in, distribute, store, warehouse and export** all products or by-products of such articles; to do a general warehouse and storage business.
4. **To buy, manufacture, sell and deal in malt and malt extracts and syrups** and malt extracts product of all kinds and all products of a kindred nature and that either wholesale or retail.
5. To carry on the **business of Hotel, Restaurant, Cafe, Tavern, Saloon, Beer House**, Refreshment Room, Refreshment Booth, grounds and places of amusement and recreation, sport and entertainment where any of the articles manufactured or dealt in by the Company may be offered for sale.

PRICE $100.00 PER SHARE

Make Cheques Payable to the Company or any Responsible Broker.

Sleeman's Spring Bank Brewery Co. Limited
707 Temple Building, Toronto
Telephone Main 1573

It is intended in due course to apply to have these shares listed on the Toronto Stock Exchange.

S. W. BARBER, Fiscal Agent
707 Temple Building. Telephone Main 1573.

The statements contained in this circular are not guaranteed, but are based upon information which we believe to be reliable.

Peace Bridge Booms Old Fort Erie; May Restore Town's Economic Glories

Building of Highway Span from Buffalo Places Canadian Homes Nearer City's Business Centre Than Some Parts of City Itself — Realtors Active

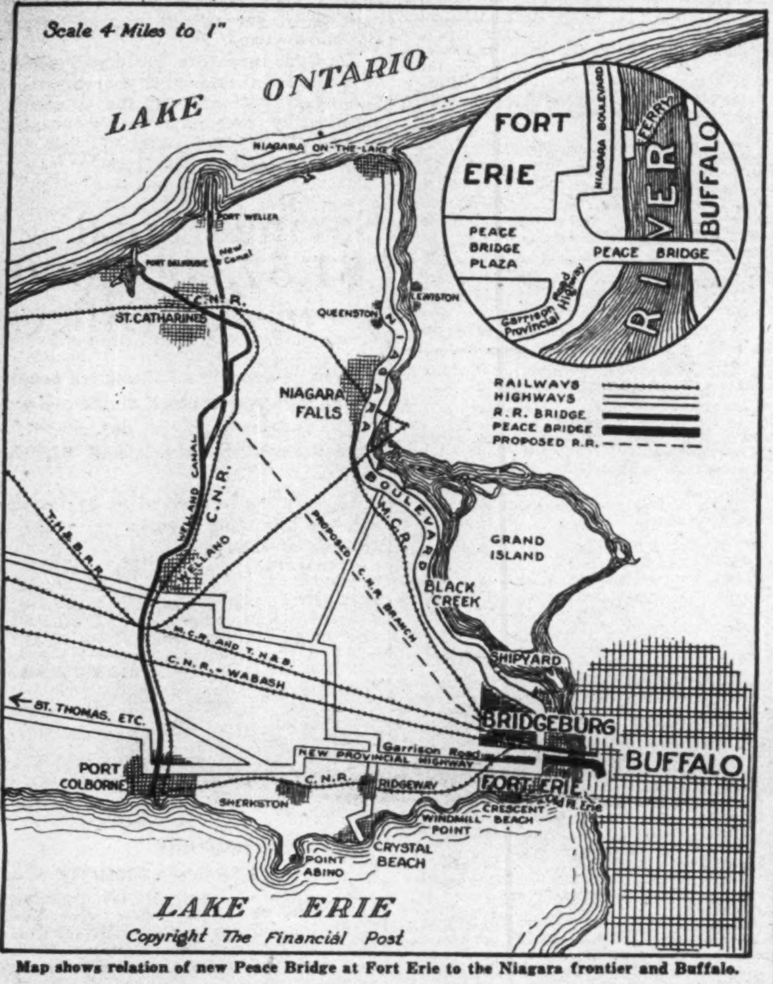
Two automobiles drove from Buffalo, N.Y., to Fort Erie, Ont., and return last Saturday on the rough concrete foundation of the roadway on the Peace Bridge, which will be open for vehicle and pedestrian traffic about June 1. The leading car was driven by Edward P. Lupfer, chief engineer, and the second car was driven by William A. Eckert, vice-president of the bridge company. Included in the party were W. F. Willson, of Fort Erie, and Dr. William Douglas, who began practicing medicine in Fort Erie on the day that the Dominion of Canada came into being.

The driving of these two cars across the Peace Bridge was an historical event. The Peace bridge is the only vehicle bridge across the connecting waters of the Great Lakes above Niagara Falls. Steam ferries have carried the traffic since 1840. Before that there was a vessel operated by horses on treadmills and prior to that this international highway was maintained by brawny oarsmen.

Ferry is Ancient Highway

According to Ray M. Stanley, an admiralty lawyer, of Buffalo, there was a ferry at the head of the Niagara river before the American War of Independence, and he says that the integrity of this highway was guaranteed in early treaties between Great Britain and the United States. This is mentioned to direct attention to the fact that the strategic importance of this line of communication has been recognized for more than a century and a half.

Parkman, the historian, quotes one of the early French missionary-priest-explorers as asserting that a military post at the head of the Niagara river was essential to French dominance in the Ohio and Mississippi valleys. The French did not continue to dominate in the central part of the continent and the British built a stronger fort at the head of the Niagara which was lost and won and lost and won in the War of 1812.



Map shows relation of new Peace Bridge at Fort Erie to the Niagara frontier and Buffalo.

The Canadian end of this great vehicle bridge drops into the geographical center of the incorporated village of Fort Erie, one of the oldest settlements in Upper Canada. The village is again to become an important point in the international highway which waned with the building of the Erie canal, the building of the first Welland canal, the development of railroads and the building of the Grand Trunk's bridge at Bridgeburg.

Is a Dream Come True?

Fort Erie has been talking about a bridge for 50 years. Alonzo C. Mather, a Chicago millionaire, had plans for a bridge which, by means of waterwheels attached to the piers, would develop power from the swift current of the stream, but the United States war department frowned on a bridge not above the height of masts of vessels going up and down the stream. The advent of the automobile made more business for the ferry, but it was not until Ontario acquiesced in the reciprocal arrangement whereby outside motorists would not be required to buy motor licenses for touring on this side that the traffic grew to the point where a high-level bridge could be expected to pay its way.

The first sod of the Peace bridge was turned in August, 1925. Steel spanned the stream by October, 1926.

The building of the Peace bridge has created a real-estate boom in Fort Erie and vicinity. The following article, by a staff editor of The Financial Post, discusses the probable development which will follow the opening of the structure to traffic and attempts to differentiate between ligitimate development and unhealthful boom engendered by the intensive selling methods of subdividers.

FORT ERIE.—Most Fort Erie folk are pop-eyed with surprise at the report that Imperial Oil has paid $30,000 for a corner lot directly across the street from the Canadian end of the Peace bridge. A new street, 100 feet wide and known as Peace Bridge Plaza, is a continuation westward from the bridge. Dr. William Douglas sold the 80-odd acres in this tract for $100,000, so 'tis said. Its only use for the last generation was for picnics when the Sunday-school committees wished to keep the children away from the amusement devices at the two resorts farther along the lake shore.

This venture of Imperial Oil and its effects on the population which has seen its dream come true after half a century of wishing, indicates that the community is in the midst of a real-estate boom. The village of Fort Erie itself, with the exception of this Douglas tract, has been subdivided into city-size lots for fifteen or twenty years as a result of a former boom that never really got underway. Since the beginning of bridge construction two years ago, owners have bobbed up from all over the continent to pay back taxes on vacant property. In some instances, they found that the village formally had taken possession. In others, old assessment rolls had to be dusted in order to find a record of a lot of which later records were oblivious. The village treasurer has taken in considerable cash from individuals who hope for substantial development of the community.

One of the native observers declares that the population is divided sharply into two classes — those who have property for sale and those who are skeptics.

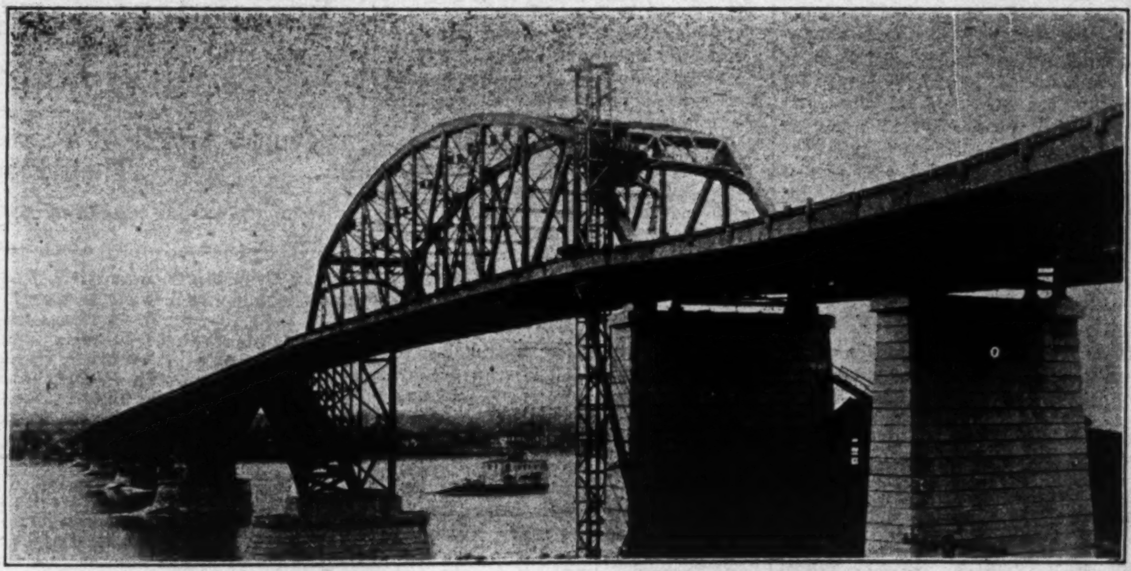
How much is real development and how much is unhealthy boom is not easy to determine accurately. But it is apparent that, no matter how much real development is in store for the community as a result of the building of the bridge, the situation is not without danger for those investors who do not take the trouble to inform themselves exactly what they are buying in the way of real estate in Fort Erie or the territory west and north.

At the bottom of the hope for increment in realty values in Fort Erie and vicinity as a result of the building of the Peace bridge is the fact that from Fort Erie to Niagara Square, in the heart of Buffalo, will be only a few minutes drive by automobile, assuming that there is only a momentary delay on account of customs and immigration inspection.

No other suburb of Buffalo is so near to the business district of the city, and the Riverside, North Park, the Kensington and the South Park districts by street car are farther away both in miles and time than is Fort Erie. Thus, it would seem that Fort Erie must attract Buffalonians who want to live in a suburb and yet be within comparatively easy reach of downtown Buffalo.

Offsetting this favorable feature of time and distance, are the facts of bridge tolls, of the annoyance of customs and immigration inspection, of the expense of importing goods which, for the sake of convenience, these commuters would buy in Buffalo, and, last but not least, the fact that, all things being equal, a citizen prefers to live in his own country.

NEW INTERNATIONAL HIGHWAY SOON TO OPEN TO TRAFFIC



Peace Bridge at Fort Erie looking from Buffalo towards the Canadian side.

Another factor which favors the Fort Erie development at present is the forthcoming repeal of the prohibition law. The new law will permit a resident to have liquor in his home. It has been said—not by prohibitionists—that Montreal is now the most livable city on this continent. Some present residents of Buffalo may decide that Fort Erie has similar attractions.

It would seem that Fort Erie as a residential suburb of Buffalo may expect some development, but it is also likely that the homes to be built must be of the low or moderate-price class for the reason that persons who can afford more expensive homes also are accustomed to using automobiles for getting about and will thus seek to establish country or shore estates rather than a domicile in a suburban village.

The north shoreline of Lake Erie already is highly developed. The earliest comers were among the earliest owners of automobiles and there are estates from Crescent Beach, four miles above Fort Erie, to Point Abino, a few miles below Port Colborne, which represent individual investments of tens of thousands of dollars. The Canadian shore of the Niagara river, entirely divorced from commercial development, in the last few years, also has been attracting Buffalonians who wished summer homes.

There are homes on the South (or United States) shore of Lake Erie. But they are fewer in number for the reason that the sand beaches are few and far between and cannot be compared with the miles upon miles of sandy beach on the Canadian shore. The United States shore of the Niagara river is entirely taken up with industrial development and the stagnant bed of the old Erie canal.

Thus, the waterfront on the Canadian side of the lake and river should become increasingly valuable with the opening of the Peace bridge. There is only so much waterfront on the map and the most ingenious devices of the subdividers will not increase the supply. When it is all gone there can be no more. Some fancy prices have been paid already for such property—it is not cheap even as far west as Port Maitland, Ont.—but if prices are high at the moment it would seem that this merely is discounting the future and that the buyer who hangs on to what he has eventually must profit.

Developers Sell Inland

Limitation in the supply of actual waterfront land has resulted in a tendency on the part of developers to retain for future exploitation such land which actually faces lake, or river and boulevard, and to sell lots which on the map may appear to be within an oar's length of water and a few minutes' ride of the bridge, but which actually are some distance from both.

The area of the corporate city of Buffalo is about a third the area of the township of Bertie, which comprises the southeast corner of the Niagara peninsula, except for the incorporated village of Fort Erie and the town of Bridgeburg. It has been

(Continued on page 27)

These Bonds having been sold, this advertisement is published for record only.

New Issue

$2,175,000

Port Alfred Pulp and Paper Corporation

First Mortgage 6% Sinking Fund Gold Bonds, Series B

To be dated July 2, 1924. To mature April 1, 1943.

Principal and semi-annual interest (April 1st and October 1st) payable at the holder's option in Canadian gold coin at any Branch in Canada of The Royal Bank of Canada, or in United States gold coin at the Agency of The Royal Bank of Canada, New York, or in Sterling, at The Royal Bank of Canada, London, England, at the fixed rate of $4.86 2/3 to the £1 Sterling. Coupon Bonds in denominations of $1,000 and $500 registerable as to principal only, or fully registered Bonds in denominations of $1,000, or any authorized multiple thereof. Coupon Bonds and fully registered Bonds of $1,000 denominations interchangeable. Bonds may be redeemed as a whole or in part at the option of the Company on thirty days' notice on any interest date, at 104½ and accrued interest, if redeemed on April 1st, 1927, and thereafter at ¼ of 1% less per annum for each subsequent year, or fraction thereof, until April 1st, 1935, and thereafter at 102 and accrued interest, as provided in the Trust Deed. Montreal Trust Company, Trustee.

Annual Cumulative Sinking Fund for the exclusive retirement of Bonds of Series B, equal to 2% per annum until January 1, 1929, and 3% per annum on and after January 1, 1929, of all Bonds of Series B, plus in each case an amount equal to interest on Bonds of Series B redeemed through the Sinking Fund.

Legal Investment for Life Insurance Companies under the Insurance Act, 1917, Canada.

For detailed information, we refer to the prospectus containing letter from Mr. George M. McKee, President of the Corporation, which has been summarized in part as follows:

The Corporation

Port Alfred Pulp & Paper Corporation owns and operates newsprint paper and sulphite pulp mill properties on tidewater on the Saguenay River at Port Alfred, P.Q. The Corporation, in association with St. Maurice Valley Corporation and Wayagamack Pulp & Paper Company, Limited, has acquired, on the basis of one-third interest each, the entire common shares of The Anticosti Corporation, which owns in fee simple the Island of Anticosti, having an estimated pulpwood content of 15,000,000 cords.

The Corporation has recently installed four newsprint machines and complete complementary equipment, together with a fifth sulphite pulp digester. Rated annual capacity for sale is 135,000 tons newsprint paper and 34,000 tons high-grade sulphite pulp. Production in 1926 was 26,931 tons newsprint paper and 42,128 tons sulphite pulp, newsprint manufacture having commenced only on May 27th upon completion of the first newsprint machine. Properties and equipment are thoroughly modern.

Earnings

Net earnings of the Corporation for the fiscal year ended December 31st, 1926, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, Montreal, available for Bond interest, were $998,387. These earnings are after operating expenses, maintenance and repairs and interest other than bond interest, and only partially reflect the benefit from capital expenditures on the recent installations.

Assets

Based upon valuations of independent engineers, tangible assets of the Corporation have a value in excess of $28,000,000. These assets include plants, properties, buildings, timber limits and leases, but do not include the Corporation's interest in The Anticosti Corporation.

Net current assets (working capital) as at December 31st, 1926, after deducting all current liabilities and before giving effect to the present financing, are certified by Messrs. P. S. Ross & Sons, Chartered Accountants, to have been $1,568,986.

Timber Limits

The Corporation owns in fee, and has under lease or contract, timber areas containing available pulpwood conservatively estimated at 20,000,000 cords, assuring it of practically a perpetual supply for operations at full rated capacity.

Bond Issue

First Mortgage Bonds of the Corporation are limited to $15,000,000 principal amount. A total of $8,233,500, including these Bonds of Series B, has been issued, of which $308,000 have been redeemed by sinking fund, leaving $7,925,500 outstanding. Additional Bonds can be issued only under the conservative restrictions of the Trust Deed.

We offer these Bonds for delivery if, as and when issued and received by us and subject to the approval of our Counsel, at,

Price: 99.50 and accrued interest, yielding 6.05%

Wood, Gundy & Company
Limited
Winnipeg 86 King Street West Montreal
Hamilton Toronto New York
London, Ont. Telephone: Elgin 4321 London, Eng.

The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Bonds. We do not guarantee, but believe the statements herein made to be true.

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN.
Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE.
Managing Editor—FLOYD S. CHALMERS.

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

ADVERTISING RATES:
Single Insertion—$2.80 per inch.
Financial Reports, Debenture Notices, etc., 20c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada and the United States, $5.00 per annum.
United Kingdom, 21s.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143-153 University Ave., Toronto, 2.

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager. Rielle Thomson, Eastern Editor; WINNIPEG, 810 Confederation Life Building; NEW YORK, Room 1606, 1133 Broadway; CHICAGO, Room 1903, 360 N. Michigan Blvd.. GREAT BRITAIN—London, The MacLean Co. of Great Britain, Ltd., 88 Fleet Street, E.C., E. J. Dodd, director.

TORONTO, MARCH 18, 1927

MR. EULER'S GOOD WORK

SOME of the most important administrative reforms in Ottawa are achieved without blare of trumpets. One of these—a complete overhauling and improvement in the machinery of the customs and other tax collection machinery of the government — has just been accomplished by Hon. W. D. Euler, Mr. King's new Minister of Customs. When Mr. Euler went to the Customs Department he determined to divorce himself from party politics and to tackle his job in a business way and from a purely business standpoint. He was convinced, from his reading of the evidence of the customs investigation, that the treasury was not getting the maximum return from imported dutiable goods. He felt, from complaints being made by business men, as well as from articles which he had read in journals like The Financial Post, that there were irregularities, inequalities and injustices in the collection of the sales tax. And he determined that he would run the department precisely as he would run his own private business, with political favoritism ruled out, and with a square deal, as far as he could give it, to all.

He did not act immediately. Instead he spent weeks familiarizing himself with the department, studying regulations, reading bulky fyles, cross-examining officials, hearing complaints from business men, and studying their suggestions. In the end, when he had satisfied himself that improvements were required, and where they were required, he did not hesitate to act. His first step was to take R. W. Breadner, Commissioner of Taxation, and make him Commissioner of Customs. Hon. H. H. Stevens, in the short time that he was in Mr. Meighen's short-lived ministry, had had certain inquiries made regarding the collection of the sales tax. He also had had inquiries made about the collection of customs. Mr. Euler did not ignore these findings. It never occurred to him to throw out what had been done by Mr. Stevens' committee, simply because Mr. Stevens was a Conservative. On the contrary he used the information secured by the committee to help him in his re-organization.

As a consequence, the tax collecting branches are off to a new start. Their orders are to collect taxes without fear or favor, to collect them in a business-like way, and to act upon no other consideration but the interests of the country. What the new regime will mean to the treasury, it is yet too early to say. Various estimates have been made of enormous losses to the treasury from laxity in the past. They have been placed at many millions. More than that, there has been undoubted dissatisfaction among business men all over the country over demonstrable inequalities in collections. If Mr. Euler can stop such leaks and remove injustices he will do much more than bring additional money into the treasury. He will restore—and this is much more important—the confidence of the public, and especially of business men — in perhaps the most important branch of government.

MINERS GO HOME

DOMINION COAL COMPANY has finally silenced the outcries of a number of the Old Country miners, imported to Cape Breton last summer, by offering to pay their passages back to Scotland. A number of the men have availed themselves of the opportunity of returning home.

When these people, about 40 in number, were first brought out here The Financial Post suggested that it was playing with fire to import men from Scottish coal mines, seething with Socialism and worse, into Nova Scotia collieries enjoying for the first time in years a measure of prosperity, but with workers still sore from the protracted strike of 1925.

There has been, in fact, little but trouble ever since they arrived. The company claims it acted in good faith and intended to use them in "long wall mining" at Springhill. Through a coincidence, just about the time the Scotsmen came in, the Springhill pit, where it was intended to put them, was flooded, and they had to be given work in Cape Breton.

When broken winter time came on, they raised a protest and demanded that they either be given work or paid at the rate of $5.40 a day for idle time, six days a week. The company offered passages back home as the shortest way out of the difficulty.

It is unfortunate that the experiment failed to work. Canada needs people, and this looked like a practical movement of population on at least a small scale. Dominion Coal Company is to be congratulated on doing the best thing to relieve the situation.

In a few years, if conditions continue to improve, many of these men may be glad to come to Cape Breton again.

ENTITLED TO KNOW

A BOOKLET being sent to stockholders of General Motors Corporation by Alfred P. Sloan, president, says "General Motors' policy, of course, is that stockholders are entitled to know."

Policy of Imperial Oil, British American Oil Company and International Petroleum Company is, apparently, that stockholders have no business to know.

Imperial Oil Company and International Petroleum maintain the utmost secrecy regarding financial results of their operations. Certain large shareholders, who happen to be employees and directors, know how much money these companies are making and have advantages in the handling of their investment that are denied to the ordinary run of shareholders who are not on the inside.

Sir Herbert S. Holt is reputed to be a very large shareholder in Imperial Oil Company and its associated enterprises. He is neither a director nor employee, but it is probably a very safe assumption that Sir Herbert, if he is a shareholder, knows what is going on, financially, in these companies. He is not the type of man to invest in a company that will not supply him with all the information to which he is entitled.

Fear is expressed by Imperial Oil and International Petroleum officers that, if they publish financial figures, politicians in the South American countries where hey operate will make trouble for them. But the policy of secrecy has already been a factor in making trouble for the company in Canada; trouble that is expressed in the widespread public suspicion that the gasoline companies make exorbitant profits. The actual facts would probably be much less damaging than public assumption. Facts usually are less dangerous than rumors and impressions.

Why British American Oil refrains from publishing its figures for the benefit of its many hundreds of shareholders is less apparent, but British American Oil usually follows Imperial Oil's policies as closely as if there were some financial connection between the two companies, which, of course, there is not.

CHEAPER STOCKS

ENGLISH investors are accustomed to securities of lower par values and market values than the average share of stock in this country. One pound is the ordinary par value for stock in London—both preference and ordinary (or common) shares. In Canada most preferred stocks have a par value of $100 a share and hover around that mark in stock market trading. Common stocks have, in the past, been brought out chiefly in shares of $100 par value, but the tendency is now to issue shares of no par value, which may sell at any price depending upon the circumstances of the company. When they reach too high price they are customarily "split." If the shares rise to $200, let us say, they may be divided into four new shares, which would give the new stock a market value of around $50 a share, regardless of whether they are given any nominal par value or none at all. The smaller market price facilates trading and interest in a larger number of investors, many of whom were somewhat frightened by the higher price even though it represented no higher capitalization for the same company as a whole. It makes no difference to a company's earnings whether its stock sells at $200 a share for 10,000 shares outstanding or $50 a share for 40,000 shares. In either case, the stock has a market valuation of $2,000,000. But it makes a difference to the investor. He knows that a "board lot" on the stock exchanges is the same whether the stock is selling at $50 or $200 and, as it is handier to buy and sell in board lots, the $50 shares are easier to trade in. Moreover, there are many investors who have only very small sums to invest and have a certain sense of satisfaction in owning, say, four shares of a stock rather than only one.

It might be a worthwhile experiment for a few Canadian corporations, when re-organizing for some purpose or another, to issue preferred shares of $5 or $10 par value and to break their common shares into a large number of units in order to insure the stock having a market value somewhere around those figures. Wider distribution of the shares would follow, without undue extra expense in record keeping.

It is the modern tendency and a sound tendency to popularize and broaden the ownership of large companies. Public goodwill is won in this way; a new source of capital funds is tapped and a new clientele is built for the company's products.

Recently Swan and Edgar, the large London department store, brought out a new issue of ordinary shares of a denomination of one pound each. Undoubtedly hundreds, perhaps thousands, of new shareholders were obtained, each of whom would divert as much custom as possible to his store. Canadian merchandising companies in particular might find it worth while to consider cheaper shares.

A B.C. BEAUTY

THERE will be less publicity for Retta, the queen of the Jerseys, than there was for the young lady who was crowned beauty queen of Toronto, but Retta means more to Canada. Retta is short for Farleigh St. Mawes Retta and she is a two-year-old Jersey heifer owned by the Dominion Experimental Farm at Summerland, in the Okanagan Valley of British Columbia. Retta has just come through a test of her qualities as a cow and has hung up a world's record for 205 days of production of both milk and butterfat. During her 305-day test, Retta—she will pardon our familiarity in calling her by her every-day name — produced 11,606 pounds of milk yielding 648.78 pounds of butter fat. Apparently the cow that held the former record for Jerseys only produced 11,348 pounds of milk and 642.16 pounds of butter fat in her 305-day period.

The best thing about Retta is that she proved to be no expensive luxury. An excellent margin of profit accrued to her owners after paying for all foods and other charges.

Retta brings honor to Canada. She accomplishes some other purposes as well. She helps to raise the standard of Canadian dairy cattle and of farm methods. And she helps to prove that money spent on experimental farms is not wasted.

DIRTY PAPERS

IN TWO ways Canada is interested in the rise of the tabloid press of the United States.

S. K. Ratcliffe, British editor, says that the tabloid papers are tapping a new field. Since the circulations of the larger dailies have not been affected for the tabloids, it is apparent, he declares, that the tabloids have found their circulation in the lower levels of the reading public that have not previously provided customers for the regular newspapers. The tabloid papers have made newspaper readers out of people who formerly never read anything. They have added to the demand for newsprint paper and provided a larger market for our big paper mills.

Canada's second interest is in the large circulations some of these sheets are gaining in Canada. Every cheap lunch room is a hall of Mirrors any noon hour in Toronto or Montreal. The average tabloid sheet is a vulgar concoction; a journalistic burlesque show. It has no morals and no standards.

Canada does not gain very much from selling clean paper to tabloid publishers across the line when much of the paper comes back with filth printed on it.

AT CROSS PURPOSES

CERTAIN groups in Canada are urging more and smaller banks for Canada; local banks that will provide for "decentralization of the control of credit." Western farmers are passing resolutions pleading for this high-sounding objective.

We read in the American Banker that, in the United States, where small banks abound, the tendency is toward consolidations, such mergers being found necessary because of the difficulty of operating small banks profitably. Says the American Banker:

> "State superintendents and commissioners are again preaching bank consolidations, particularly in the case of small competing institutions in localities where two or more banks are trying to exist on a volume of business scarcely large enough for one.
>
> "There are fewer banks in the country to-day than reported several years ago. The decrease has been brought about by the failure or liquidation of small banks in sections affected by crop results, inflation of land values and causes that are responsible for frozen credits.
>
> "A survey of what might be termed the bank failure map of the United States goes far toward confirming this. Collapsed real estate booms have left certain sections of the country with long lists of closed banks. The industrial centres have been almost free of the failed bank evil. They, it may be remarked, are not over banked.
>
> "Hundreds of small banks owe their existence to-day, not to real necessity, but to local pride, fractional differences and like reasons, none of which is sufficiently strong to insure profits or dividends.
>
> "The continuance of discordant local sentiment is keeping apart hundreds of banks that ought to combine. It is a situation difficult to handle, as bank commissioners themselves have been first to discover. Three ten-thousand-dollar banks in a small community can render no better service than one thirty-thousand or fifty-thousand-dollar bank, and as a general principle the one larger bank is to be regarded as safer than the several weaker units.
>
> "If their is firm pressure to force weak or superfluous banks together into stronger connections or out of business, the banking structure as a whole will be on a firmer foundation. The country may need all of the banking capital now existing; but it does not follow that it requires it to be separated into so many units."

It may be, of course, that both the United States and Canada are unconsciously seeking a medium between our system with a few very large banks, and the American system with some 45,000 banks, most of them very small.

Investment Trusts Hold Hundreds of Securities

Seventh Article of a Series on Investment Trusts and Their Place in Canada

By MACKENZIE WILLIAMS, A. E. Ames & Co., Toronto. Copyright, 1927.

Many British investment trust companies publish each year a complete list of their investment holdings. Regarding this practice there is much that can be said in its favor. It undoubtedly exercises an important influence in keeping the lists of securities in good shape in that it conceals nothing and frankly lists the holdings which are open to the inspection of all its shareholders.

An examination of the investment lists of sixteen of the leading investment trusts of England, Scotland and United States brings out the fact that these lists are widely diversified as to the numbers of issues held, the holdings ranging from 140 to 800 individual investments as tabulated below:

Number of Securities Held by Typical Investment Trusts

Name of Company	No. of Sec. Held	Year End.
Gas, Water & General Investment Trust (E)	140	1924
Indian, & Gen. Inv. Trust (E)	203	1923
U. States and Gen. Trust (S)	231	Jan. 1, 1924
Caledonian Trust Company (S)	250	Jan. 1, 1924
Alliance Investment Co. (E)	295	1923
Amer. Inv. & Gen. Trust (E)	296	1923
Consolidated Trust (E)	305	1923
Guardian Invest. Trust (E)	319	1924
First Scottish Amer. Trust (S)	331	May 1, 1923
British Investment Trust (S)	343	Jan. 1, 1924
Foreign, Amer. & Gen. Investment trust (E)	354	1923
International Securities Trust of America (A)	449	Dec. 31 1923
Bankers Investment Trust (E)	462	1923
Mercantile Investment & General Trust (E)	500	1924
London Trust (E)	557	1923
Industrial & Gen. Trust (E)	800	1923

(A)—American. (E)—English. (S) Scottish.

Typical Successful Investment Trusts

In order to give specific illustrations of the character and extent of the diversification carried out by leading companies, the holdings of four representative companies have been analyzed from various standpoints. One classification shows the percentages of the holdings of bonds, of preference shares and ordinary shares; a second classification shows the diversification as to the percentages of government loans, railway securities, public utilities, iron, coal and steel companies, industrial companies and financial institutions; a third classification shows the geographical distribution.

United States and General Trust Corporation, Limited.

Year Ending December 31, 1923

The investments, numbering 231, may be classified as follows:

	% of Cost
Bonds, debentures and deb stocks	58.7
Preferred shares and stocks	18.5
Ordinary shares and stocks	22.8
	100.0

Another classification is as follows:

Government loans	15.0
Railroad companies	24.9
Electric railways, lighting and other public utility companies	16.4
Iron, coal and steel companies	5.7
Commercial and industrial companies	28.8
Banks, financial and investment companies	9.2
	100.0

The following shows geographical distribution:

Great Britain	44.1
British Colonies and Dependencies	9.8
United States	4.4
South America—	
Argentine	15.7
Brazil	3.6
Other S. A. Countries	9.2
Mexico	1.0
Other Countries	12.2
	100.0

The Caledonian Trust Company, Limited (Scottish)

Year Ending January, 1924

The investments, which number 250, are distributed as follows:

(1) Railways, street railways, light and power companies:	
bonds and debentures	£392,458- 1- 0
Pref. and guar. stocks and shares	72,189-14- 9
Ordinary stocks and shares	40,367- 5- 1
	£505,015- 0-10
(2) Industrial companies—	
Bonds and debentures	£198,439-13- 3
Preferred stocks & shares	232,384- 9-10
Ordinary stocks and shares	85,535-16- 8
	£516,359-19- 9
(3) Sundry Investments—	
Loans and debentures	£ 75,508-10- 3
Stocks and shares	52,117-18- 0
	£127,626- 8- 3
(4) Foreign Gov. Sec.	42,839-15- 6
	£1,191,841- 4- 4

A classification according to countries shows the investments to be made as follows:

	% of Cost
United States	18.90
Argentine	9.37
Brazil	3.74
Other S. Amer. Countries	8.52
Cuba	1.23
Central America	2.45
British Colonies and dependencies	13.44
Home	29.90
Mexico	1.39
Other countries	11.06
	100.00

The First Scottish American Trust Company, Limited.

Year Ending May, 1923

The company holds 331 different investments, the value of which, according to the balance sheet, was £892,521 15s. 4d., distributed as follows:

In the United States—	
Bonds	£196,160- 9- 3
Preference and guar. shares	26,799- 7- 0
Common shares	14,720-19- 5
	£237,680-15- 8
In other countries, including Great Britain—	
British Government Securities	£ 36,234-15- 6
Bonds, deb. stocks and loans	371,605-17- 3
Pref. and guar. shares	151,154-18- 0
Ordinary shares and stocks	98,845- 8-11
	£654,840-19- 8

British Investment Trust Limited

At January 1st, 1924, the number of investments was 343, distributed as follows:

Bonds of railways in the U. S.	£660,695- 6- 8
Guar. and pref. shares of railways in the U. S.	263,571- 6- 2
Com. shares of railways in U. S.	83,047- 6- 2
Bonds, debenture stocks and guaranteed and pref. shares of railways other than in the United States	1,139,010- 6-10
Ordinary shares of railways other than in the United States	140,578- 3- 4
Total in railways, including street railways	£2,286,902- 9- 2
Bonds and debs. of other co's.	£1,027,356- 6- 0
Stocks and shares of other co's.	1,387,074- 1- 7
Foreign State and City bonds	97,482-17- 7
Colonial Government Securities	38,371- 2- 0
Brit. Govt. Securities	631,,345-13- 6
	£3,181,630- 0- 8

INCOME TAX PROBLEMS

Interest on Income Bonds

By an Income Tax Expert

PROBLEM No. 14.

Is the interest on an income bond in any different position for taxation purposes than interest payable in the normal way and charged up on the issuing company to its profit and loss account? By an income bond, we mean one that provides for interest to be cumulative and payable only out of profits as earned.

Some firms are marketing such bonds with the statement that the interest is "free from Dominion normal tax." This does not mean that this interest, payable out of "income," has some special tax-exempt features, such as apply when dividends are paid to another company and are exempt from tax as against the recipient company because the dividend has been paid out of "income" which has once been subject to the company rate of income tax and is not as dividend income to be again subject to company rate of income tax. This is provided for by section 3, subsection 12 (a), which reads:

"An incorporated company shall not be subject to a tax in respect of dividends paid to it by a company incorporated in Canada, the profits of which have been taxed under this act."

Guarding Against Future Tax

Any reference to normal tax, insofar as the Dominion is concerned, is at the present moment, a reference to a form of tax which no longer exists. Normal tax was repealed for 1925 and thereafter. But prospectuses put in such clauses to cover any future liquidation as well as any existing legislation.

It should be pointed out, however, that the contract to pay interest on the borrowed money used in the business of the company, secured by the bond, wherein interest is to be payable only if the company has an income, is a contract as between one person and another and does not bind the government. A person cannot contract away his statutory rights or obligations. For instance, if one contracts to pay the income tax of another the other person is nevertheless liable for the tax, although he has an equal right to recover from the subject the amount paid. So if a company contracts to pay interest on its bonds out of income only, that does not preclude the issuing company from demanding for income tax purposes that its rights under the Dominion Income Tax Act, be granted to it; that is, to have as a deduction in arriving at its taxable income.

"Such reasonable rate of interest on borrowed capital used in the business to earn the income as the Minister in his discretion may allow. . . "

"Income" for one purpose may be quite different from "income" for another purpose.

The company has not contracted away its statutory right to have interest as a deduction in arriving at its income for taxation purposes. The crown must allow the interest as a deduction if demanded. Should the company not demand it and pay tax on an income before deducting the interest, its failure to claim its rights does not redound to the benefit of the recipient of the interest so that if the recipient be a company, it could say interest has once been subject to corporation tax and is therefore now exempt.

Taxable Year by Year

The plain fact, insofar as the recipient is concerned, is that there is received not a dividend but interest and the source or funds out of which the interest may have been payable is a matter in which the crown is not interested. "Income" is defined to include "interest," which is therefore taxable, as the Privy Council says, "irrespective of its source."

A further point arises: interest is cumulative and becomes payable only when there are profits out of which it can be met. Supposing two years are unprofitable but a large profit is made in the third year, can the interest of the three years, which by contract becomes payable out of the profit of the third year, all be deducted from that profit before taxation or only the one year's interest of the year in which the profit arose?

Interest accumulates from day to day, but becomes payable on given dates which may be further postponed if certain conditions as to payment do not exist. Nevertheless it accrues annually as a charge against the business and the income tax act provides that interest payable in respect of capital used in the business to earn the income of the period shall be allowed as a deduction. The two years arrears of interest were not incurred to earn the income of the third year; they were a liability of previous years which must be taken into account in those years the same as accounts and bills payable or receivable, which are not actually paid out or received until some future period, yet they are accounted for only in the period in which they arose and not in the year they are actually paid or received. In like manner only the interest of the third year would be a charge for taxation purposes in reduction of the profits earned during the third year.

Foreign investors resident outside of Canada should always remember, however, that interest and dividends received by them from money invested in Canada are not taxable under the Dominion Income Tax Law.

Savings Total $1,573,000,000 in All Offices

Savings deposits of Canadian people are at high water mark at the present time. Total amount on deposit in financial institutions is about $1,500,000,000.

This figure is arrived at by including the following figures:

Savings deposits, chartered banks	$1,381,474,773*
Quebec banks	68,778,994*
Post office savings banks	23,929,117**
Loan and trust companies	70,000,000†
Provincial savings banks	30,000,000†
	$1,573,180,884

*January 31, 1927.
**December 31, 1926.
†Estimated.

These savings represent about $190 per capita or $950 per family in Canada.

Bank of Montreal Organizes Security Co.

The Bank of Montreal has organized a company under the laws of New York State to be known as the Montreal Company of New York, Inc., to engage in the underwriting and distribution of investment securities.

The Company is controlled by the Bank of Montreal through stock ownership. Sir Vincent Meredith, President of the Bank of Montreal, is president and chairman.

Stock Market Transactions
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Government Municipal and Corporation Securities
Which Do You Need Most:
Security?
High Income Return?
Marketability?
Speculative Possibilities?
It is not economy to buy what you have no use for.
Consult us freely.
R. A. DALY & CO.
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INSURANCE EXCHANGE BUILDING
145 Notre Dame St. West
MONTREAL

Impressive Growth

In 1913, the total Canadian Government and Municipal bonds held by Canadians amounted to $320,000,000. Now it is estimated that Canadians hold $2,903,000,000 of these bonds, an increase of $2,583,000,000, or a sevenfold increase, in this short period.

Similar striking changes have taken place in connection with savings deposits and life insurance in force. In 1900, savings deposits were $174,000,000, or $33 per capita, while at the close of 1926, these were $1,372,000,000, or $152 per capita. Life insurance in force in 1900 amounted to $404,000,000, or $76 per capita, while at the close of 1926, the amount was $4,964,000,000, or $530 per capita.

With the growth of wealth, investment needs are more complicated and varied and discrimination in the choice of securities was never more necessary.

Thirty eight years of investment experience are at your disposal in the solution of investment problems. Inquiries invited.

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LIMITED

Investment Securities

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Business Established 1889

Your Investments

Investment questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published in this column. We cannot extend this service to non-subscribers. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply.

Gosse Packing

What do you think of Gosse Packing Co?

Gosse Packing Co. has a reasonably good chance for continued success.

British Empire Steel

Wall Street Journal answered an inquiry on British Empire Steel the other day.

Can you give me any information on any late developments in British Empire Steel second preferred stock? I purchased some of this stock some years ago at $40 per share. I have thought lately of purchasing some more stock and taking a chance on a comeback in this company, but wondered whether any contemplated reorganization would wipe out this issue.

British Empire Steel is in the process of separating its steel and coal activities, and it is generally assumed that two new corporations will be formed as a result. Just how this will affect the second preferred stock, we have not sufficient knowledge to state. The coal production of British Empire Steel Corp. is showing decided improvement and it is expected that the current year will be better than any since 1922. Total production for ten months to October 30, 1926, was 4,285,395 tons, as compared with 1,830,556 tons in the same period of 1925. Output for the full year 1926 is expected to exceed 5,000,000 tons. The reorganization of the company will undoubtedly be of material benefit to all security holders, but we should favor postponement of purchase of additional shares pending definit knowledge of just what the plan will be.

Spanish River — B.-A. Oil

Please give me your opinion on Spanish River Paper and British-American Oil.

Spanish River Pulp and Paper is a reasonable investment for a business man. However, we would direct your attention to the fact that there is a possibility of overproduction of newsprint. The companies producing newsprint for this reason may find their earnings affected.

The experience of investors in British-American Oil has been uniformly happy. If no price war enters the gasoline field the earnings for 1927 should be highly satisfactory. But in the main, price competition is lacking from Canadian gasoline distribution.

Maple Leaf Preferred

I have 100 shares of Maple Leaf preferred. Would you consider it a good investment? It cost me around 95.

I also have 75 shares of Duluth Superior. Do you think it worth holding for a few years?

One hundred shares of Maple Leaf preferred means a somewhat large holding unless the total of your investment is proportionately large. Assuming that you have not overlooked the principle of diversification, we cannot see that there is any grave risk in retaining some shares of Maple Leaf preferred.

This company has never failed to earn its preferred dividends and the passing of common dividends the last two years has enabled the company to improve its cash position.

Street railways generally, we believe, are due for better times. Duluth Superior appears to be in somewhat better position than some others of the same class.

Canners—Alta. Pacific

Do you feel that Canadian Canners preferred is a fairly good speculation at the present market price?

I am desirous of some information about Alberta Pacific Grain Co.

Canadian Canners as an essential industry is steadily improving its position and there is reason to hope for its ultimate success. It must be noted, however, that the company in 1926 failed to earn its preferred dividend and that the accumulative arrears are necessarily a drag.

There are two classes of common stock of Alberta Pacific Grain Company. Class A has no voting power except such as may be conferred by statutes. The two classes of common are of no par value and rank equally as regards return of capital and dividends. There is $3,000,000 of preferred stock, 7 per cent. cumulative. Also there is $3,500,000 of 6 per cent. first mortgage bonds. The company has fixed assets in excess of $7,000,000 and it earnings in 1925 were $1,776,000 after deduction of all expenses, depreciation and taxes, including income tax. The business is growing and the outlook is satisfactory.

International Nickel

What is your opinion of International Nickel?

International Nickel appeals to us strongly as a business man's investment for a reasonably long hold.

Imperial Oil

Would Imperial Oil have to obtain permission to increase its authorized capital before it could give stock bonus to shareholders? I take it that as shares are of no-par value the stock cannot be split again. Unless the company gives increase in cash, the yields must remain low at present levels for the stock, with not much chance of capital appreciation. I am prepared to hold these shares, if conditions warrant, over a period of years.

We are informed that not all of the unissued capital of Imperial Oil is earmarked for employee subscription. However, it is admitted that the unissued capital stock not earmarked for employees is not very large. There would be no difficulty, however, for the company to increase its authorized capital should that step be found desirable.

We have not heard that anything of the kind is contemplated.

B.C. Electric

I will appreciate your opinion regarding the possibilities of British Columbia Electric Railway Company.

British Columbia Electric Railway Co. is one of the most important utilities in Canada and the most important on the Pacific coast.

It sells power on the mainland, the island of Vancouver, and in the state of Washington. Its street railway traffic on the mainland continues to expand in spite of the increasing number of privately owned automobiles. The tonnage of freight hauled has been increasing. The company, also, is in the gas business, which is a lucrative enterprise.

This company is controlled in Great Britain, each variety of shares, debentures and bonds being listed on the London Stock Exchange.

A subsidiary company is the Western Power Co. of Canada, with outstanding capital of $5,850,000, of which $850,000 is 7 per cent. cumulative preferred. The company also has about $5,000,000 in bonds outstanding, nine-tenths of which are first mortgage 5 per cent.

We would consider an investment in this company one of promise.

Goodyear Tire

Please give me your opinion of Goodyear Tire preferred. Why is it below par?

What is your opinion of Canadian Locomotive and Maple Leaf Milling?

Since your letter was written Goodyear Tire preferred has gone above par and it is improbable that the price will recede materially. Preferred dividends have been in arrears, but the company is making rapid progress in paying these arrears and it is probable that the adjustment will be completed within the next few months. In our opinion it is a good investment for a business man.

The companies manufacturing railway equipment are probably due for a more prosperous period than they have had for several years.

Canadian Locomotive Company is beginning to manufacture mining machinery. This should increase revenue considerably, as the mining industry is becoming daily more important in Canada.

While there is some uncertainty surrounding the mining industry, Maple Leaf over a period of years has earned its preferred dividends and its cash position is strong. Western Grocers also is a strong company.

Investments for Woman

Would you kindly give me some information regarding Vitomen Cereal, Ltd., 285 First Ave., Vancouver, B. C., and Canadian Farm Implement Co., Ltd., Medicine Hat, Alberta?

Both companies have sold stocks around here.

Also, do you think it better to hold the A. W. Chase common or sell for whatever one can get and buy something paying dividend?

Also, would you advise a woman to take a chance on mining stocks and, if so, which ones?

We do not think it wise a woman should invest in enterprises which have not behind them records of earnings year after year. We do not think that any company has a right to seek public investment unless it is firmly established and its outlook more promising than the outlook which usually faces industrial companies in their early years. We think you would do better to invest in some of the strong industrial companies or the utilities. We would suggest Steel of Canada common or preferred, Dominion Stores, Winnipeg Electric preferred, or C.P.R. even at the present price. These are enterprises which have good records and with bright futures. They are perhaps securities which generally are not recommended for a woman, but if you wish a greater return than can be had from government bonds, we do not think you could do better than go into these standard stocks or some others of similar history.

Likewise mining stocks are not to be recommended for a woman dependent on investments for her income, but if you are inclined to invest in this field you would be well advised to select only those companies which are paying dividends and have been established long.

Cosgrave Brewery

What do you think of Cosgrave brewery?

The Cosgrave Brewery is doing very well at present and dividends are being paid on the common stock, which is selling at 75 to 80 per cent. of its par value of $10 per share.

Undoubtedly there will be keen competition among Ontario breweries when the new liquor law becomes effective, but there is no reason to assume that this brewery, which has carried on through very bad times, will not be able to hold its own. Shareholders in this company may do fairly well over a term of years.

Prince Albert 7's

A number of years ago I took up a £100 7 per cent. bond of the City of Prince Albert issued in England at 90. When the city got into difficulties a meeting of the bondholders and ratepayers arranged for an advancing rate of interest beginning at 1 per cent. and advancing every two or three years I per cent. till payment of 6 per cent. was reached. I am still only receiving 1 per cent. Could you give me any information of the city's position and if these bonds are marketable.

City or Prince Albert 7 per cent. bonds were merged into Consolidated Stock issue a few years ago when the city got into financial difficulties. It was agreed at that time that the city should pay 1 per cent. up to 1924; 2 per cent. up to 1929; and 3 per cent. to 1934; and so on, until payment of 6 per cent. was reached. They are now paying 2 per cent. on these bonds and not one per cent. as you state in your letter. A letter to the City Treasurer of Prince Albert would probably set this matter aright.

There is a market for these bonds at the present time of approximately 50 cents on the dollar.

Atlantic Sugar

Please answer the following questions for me on the Atlantic Sugar Refineries:

1. Did the company secure three quarters of a million dollars by the sale of new common stock in 1926?

2. Has the company made $500,000 since the beginning of the year on the appreciation of its raw sugar inventories?

3. Does the working capital stand at $1,250,000?

4. Has there been a suggestion to issue one new share of preferred for every three outstanding in order to liquidate the arrears of dividends?

The answers to your questions on Atlantic Sugar are as follows:

(1) Yes.

(2) None can tell you exactly how much the company made from the appreciation in the price of raw sugar since the beginning of this year. While the company may show a book profit on its sugar commitments, the profit is not actually made until the sugar is sold. You must remember that the company has its sugar requirements booked in advance and while the price has appreciated at the beginning of the year, it may drop a little later.

(3) We understand that at the close of the last fiscal year on December 31 last, that the working capital of the company was almost $500,000 in excess of $1,250,000.

(4) No, as far as we are aware, there has been no suggestion to issue one new share preferred to cover the arrears of dividends. We do not think that the company will endeavor to liquidate its dividend arrears until such time as it has reduced its total bonded indebtedness to below $3,000,000. The trust deed covering the bond issue does not permit the payment of dividends until this occurs. We understand the company's bonds in the hands of the public at the present time amount to around $4,000,000.

Hillcrest Collieries

I see that both Sir Herbert Holt and Sir Charles Gordon are on the board of the Hillcrest Collieries. Apparently the company has come through bad times pretty successfully and should do better in future. I notice that the preferred stock is selling around 85 and the common at about 60. All these things combined with the attractive yield on the shares has attracted me to them. What is your opinion regarding their future?

You seem to have sized up the position of the Hillcrest Collieries very ably. The company sells very largely to the railways, which indicates that the grade of coal which it produces is first class. Most of the production is purchased by the C.P.R.

The coal mining industry in the West has been more or less in the doldrums for years, due to overexpansion, but in the coal industry, like every other industry, even when times are bad, there are always a few operators with efficiently managed properties who come through the depression, as has the Hillcrest Collieries, in good shape. It is possible that a freight rate may be arranged to enable Alberta coal to sell at points further east. Should this take place it would certainly help the Alberta producers, but we do not think that such a step is very likely.

You must remember that this stock has but a poor market, and bids are often few and far between. However, we would certainly say that the preferred, on which dividends have been paid for seventeen years would prove a very reasonable investment for a business man. The common stock first commenced paying dividends in 1918 and this has been continued since that date. We would say that the common is a fair speculation for a hold. In both issues also you must remember that you are obtaining a highly satisfactory yield.

You are aware also that the Alberta operators experienced labor troubles in the past and these might reoccur in the future. The Hillcrest Collieries, however, does not deal with the union and employs non-union men. We understand though that the company encourages the men which it employs to form their own union. In other words, the company is willing to deal with its own men as such, but not with a union which exercises a domination over many mines.

We think that you would be well advised perhaps to place some of your speculative investment funds in either one of these securities.

Building New Factory

MONCTON.—Atlantic Underwear, Ltd., is constructing a new building to provide new quarters for administrative offices and for further factory accommodation.

Acadia Sugar First Mortgage 6% Bonds

Acadia Sugar Refining Company, Limited controls a business which has been in operation since 1879.

Its refinery is of modern fireproof construction, is advantageously situated on tidewater and is supplied with electrical power and containers from the Company's own plants.

The Company's 6% First Mortgage Bonds, due 1946, are well secured by assets and earnings, and are offered to yield 6.25%.

Write for descriptive circular.

Royal Securities
CORPORATION
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MONTREAL
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GLASS of all descriptions

All kinds of flat glass available

For immediate delivery and in large quantities.

Case goods, fancy glass, wire inlaid, leaded, plain, striped or prismatic, colored, church glass, etc.

Also sole manufacturers
NON-SHATTERABLE.—PERFECT VISION.—BULLET PROOF GLASS

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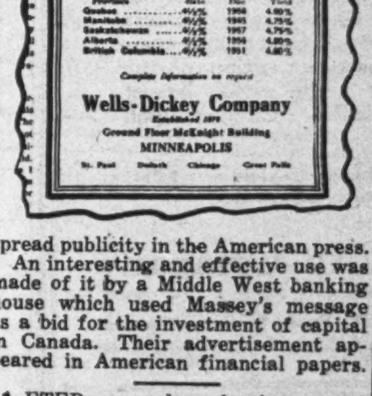
POST-Scripts

VINCENT MASSEY'S inaugural message to the American people was a most optimistic forecast of Canadian progress. It received widespread publicity in the American press.



Vincent Massey,

Wells-Dickey Company

MINNEAPOLIS

An interesting and effective use was made of it by a Middle West banking house which used Massey's message as a bid for the investment of capital in Canada. Their advertisement appeared in American financial papers.

AFTER seven long hard years of labor with one object in view, Michael Faraday in 1831 succeeded in producing an electric current by induction. One day in his laboratory he explained the experiment to a friend, who was one of those matter-of-fact sort of chaps, who said:

"Very interesting, but what is the use of it?" To which Faraday somewhat sarcastically replied: "Perhaps some day you can tax it."

When it is considered that the great electrical industry of the present is based primarily upon Faraday's epochal discovery, the truth of his jesting remark may be understood.

Central electric stations of Canada paid last year in taxes about $8,000,000.

THE increased cost of the sport of salmon fishing will be brought home to a group of wealthy New Yorkers and others on April 7, when the Department of Lands and Mines of the Province of New Brunswick is to auction off the salmon-fishing rights on the Restigouche, Matapedia and Kedgewick Rivers.

About thirty wealthy Americans, constituting the Restigouche Salmon Club, have had the fishing rights on the Restigouche River for many years. These rights, which are always sold for five-year periods, went in 1922 for $16,815. This year the upset price has been fixed at $51,250. Nevertheless, the Restigouche Salmon Club will bid again and hopes to be successful, as it has a considerable investment in a clubhouse at Matapedia Station, on the Canadian National Railway.

The auction is said to be the only event of its kind in the world and the competition is expected to be much more keen than on former occasions. Canadian financiers are interested and it is believed that Lord Beaverbrook will be among the bidders. Sir James Dunn, who is in New Brunswick on a vacation, may also bid.

The rights are for fishing with rod only, and the Atlantic salmon, as they are known, are capable of putting up a great fight. They range in weight from twelve pounds to as high as forty pounds each. Formerly, the fishing waters, regarded by many as the best on the American continent, were split up into eleven stretches. After an extensive survey last year by Charles D. Richards, Minister of Lands and Mines, the waters have been divided into sixteen stretches, in order that a greater revenue for the province may be provided. There is no element of profit in the leasing, it is explained in the official announcement of the auction sale. For many years practically all the leases have been held by groups of New York and New England millionaires. Membership in the Restigouche Club has passed down from generation to generation.

A PROMINENT Canadian investment banking house recently sent questionnaires to municipal treasurers asking for information as to debenture debt, assessment, taxation, improvements, etc. Nearly every municipal treasurer replied in detail but one reply stood out as unique.

This reply came from a small Ontario town. After answering the questions to indicate a low debenture debt, a low assessment in proportion to population and a low tax rate, the worthy official noted at the bottom that his town anticipated no future borrowing because it has "no wants and no needs."

Therein, truly, is indicated a vale of content or stagnation.

This is not the community which has been famous in a certain circle for the classic remark of a salesman whose knowledge of the English language was deficient. After an unsuccessful expedition in which he failed to interest the town officials and other citizens in his proposition, the salesman returned to his office and declared bitterly:

"Blankville is lying doormat."

SIXTEENTH YEAR OF PUBLICATION

The Greenshields Review

This publication was a pioneer in the field of analyzing commercial and financial conditions in the Dominion with particular reference to security investments.

For more than 15 years its accurate interpretation of changing economic factors has continued to be helpful to investors both here and abroad.

We suggest you ask for a copy of the current number.

Write to Dept. 4

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Crescent Road Apartments
Limited

7% First (Closed) Mortgage 20-year Sinking Fund Gold Bonds.
Maturing Sept. 1, 1946.

This bond issue is a first mortgage on an attractive and splendidly located property in the City of Toronto, having an appraised value of $254,000. The bonds are amply secured and the equity is in the hands of people well able to protect their investment.

PRICE: Par and accrued interest yielding 7%

Write for circular.

W. A. Mackenzie & Co. Limited
Investment Bankers
217 Bay Street Toronto

New Issue

City of Brisbane

5% Sinking Fund Gold Bonds

Due March 1, 1957

Unconditionally guaranteed by the State of Queensland as to principal and interest by endorsement on each bond.

Not Redeemable for Twenty Years except for Sinking Fund

Brisbane with a population of 263,711, is the capital of the State of Queensland. It is the fourth largest city of Australia and one of the leading seaports. Its direct overseas trade for the twelve months ended June 30, 1926, was in excess of $143,000,000. The State of Queensland comprises the whole north-eastern portion of the Australian continent and is the second largest state in the Commonwealth. Circular upon request.

Price 96 and interest, N. Y. funds, to yield over 5.26%
(Subject to prior sale and change in price)

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200

Occidental Fire Has Increased Business

From Our Own Correspondent

MONTREAL.—The annual report of the Occidental Fire Insurance Company for the fiscal year ending December 31 1926, shows that the company made satisfactory gains in the amount of insurance written during the period.

The premiums, less rebates and cancellations, amounted to $603,806, as compared with $561,561 in 1925, or an increase of $42,245. The amount paid for reinsurance was $215,442, as against $191,265 in 1925, so that the net premium increase is $18,069.69.

The losses paid and unadjusted, less reinsurance recoverable, amounted to $217,330, being 55.9 per cent. of net premium income, or 56.4 per cent., with allowance for change in reserve for unearned premium.

The fire department showed a net underwriting profit of $11,427, and the automobile department one of $2,480, or $13,907 in all. A loss of $27,300 was incurred by the hail department, so that the underwriting as a whole shows a net loss of $13,392.54.

The profits of the year, amounting to $22,597, have been transferred from revenue account to the credit of profit and loss.

Attendu Engine Directors Were Hopeful at Meeting

From Our Own Correspondent.

MONTREAL.—At the annual meeting of the shareholders of the Attendu Engines, Limited, C. G. Greenshields, K.C., the president, referred to the passing of the final test by the aviation engine for the U. S. navy department upon which the company has been working for some time. The announcement of the passing of the test immediately created a flurry in the stock. Speaking of the test, Mr. Greenshields said that he regarded it of great importance in view of the fact that the majority of engineers had not believed that a Diesel engine suitable for aircraft was feasible.

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News of Investment Markets

GOVERNMENT LOANS DUE DURING 1926 TOTAL $160,000,000

Part Will be Redeemed in Cash; Remainder to be Refunded

Maturing bond issues this year of the Federal and provincial governments, or issues guaranteed by these bodies, total $160,112,150, of which the larger percentage is payable in Canada. Only a small portion of these bonds will be redeemed in cash and refunding loans will be made for the balance, the majority this fall.

The market at the present time is singularly devoid of good issues and the opinion of bond dealers is that any new financing undertaken by the various governments will receive a favorable reception. The paucity of bonds has caused keen bidding for even the small municipal issues and in view of the demand and the surplus funds available, it is believed that the new issues will bear a low rate of interest, while the cost to the government will be less than 5 per cent.

Dominion Redemptions Heavy

Of the issues maturing this year, those of the Dominion government naturally rank first both in importance and size. The renewal loan of $29,068,400 and the $8,000,000 treasury notes fall due in November. On December 1st, the tax free bonds, amounting to $63,437,250, are payable. The treasury notes are payable both in Canada and New York and the other two in Canada only.

In addition to the foregoing an issue of $20,000,000, 4's, of the Canadian National Railways, guaranteed by the Dominion, fall due on July 1st. This loan is payable in New York and will probably be refunded.

The Western provinces have each a loan maturing in 1927. The first is that of $3,000,000, Manitoba's, on May 1st. In July, Alberta and British Columbia redeem $5,500,000 and $3,000,000 respectively, while in the following month a $3,918,000 loan of Saskatchewan falls due. All of these issues are payable either in Canada or New York.

Several Ontario Loans Mature

Ontario has several issues maturing at different dates this year, the first of which is that for $10,000,000 on April 22nd. Other loans are due in July and November, amounting to around $5,500,000. Among the contingent liabilities to be met by Ontario are those of four separate issues of the Queen Victoria, Niagara Falls Park, amounting in all to $900,000. A total of $300,000 of these bonds fell due at the beginning of the year and the balance are payable on July 1st.

The sister-province of Quebec has no loans maturing this year.

In the Maritime provinces, Prince Edward Island is free of maturing loans, while New Brunswick has a small issue of $38,500 to redeem on July 1st. Nova Scotia has two loans to pay off, one of $3,500,000 on the 15th of May and the other for $4,000,000 due on the 15th of September.

K. and S. Mortgage Holders Meet to Consider Resolutions

Holders of the 7 per cent. first mortgage bonds of the K. and S. Tire and Rubber Goods, Ltd., met this week to provide for the redemption of bonds.

It was proposed that default should be waived and that the date for the commencement of the operation of the trust deed for the establishment of the sinking fund postponed until a date not earlier than March 31st, 1930.

Authorization was also asked by the Chartered Trust and Executor Co. for authority to handle all matters considered necessary or desirable to give effect to an agreement dated March 3rd, 1927, between Seiberling Rubber Co. and the K. and S. Tire and Rubber Goods Co., whereby the assets and undertaking of the latter will be sold to a new company to be formed subject to the Trust deed, payment of which and the bonds thereby will be assumed by the new company.

Hunts' Common and Preferred to be Listed

Application has been made to the Toronto stock exchange to list 3,000 shares of the first preferred stock and 15,000 shares of the common stock of Hunt's, Limited, the well-known chain of candy and ice cream stores. The capital obtained through the new financing will, it is understood, be utilized in a program of expansion by the company, both in Toronto and in other Canadian cities.

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Homeopathic Hospital Sells New Bond Issue

From Our Own Correspondent.

MONTREAL.—The credit Anglo-Francais is offering an issue of bonds of the Homeopathic Hospital of Montreal. The particulars of the issue follow:

$175,000
Homeopathic Hospital of Montreal

5½ per cent. serial bonds maturing from 1 to 20 years.

Purpose: To defray part of the cost of a new modern hospital.

Assets: The value of the property is estimated at $500,000.

Security: The province of Quebec has pledged itself to pay the hospital in annual instalments over a period of 20 years the sum of $50,000, principal and interest. These payments will be made to the trustee for the bondholders.

Earnings: At 75 per cent. capacity the earnings should be equal to $120,000 annually.

Offered: By Credit Anglo Francais in Mar., 1927.

ABITIBI NOTES WERE PURCHASED QUICKLY

Issue of 6% Notes Sold at Par—Proceeds Pay for Investments

From Our Own Correspondent.

MONTREAL.—The new $4,000,000, 6 per cent. note issue of the Abitibi Power and Paper Company which was sold at par by the Royal Securities Corporation, and Peabody, Houghteling and Company, was completely subscribed for immediately it came on the market. Of the issue, $2,000,000 was sold in Canada, and $2,000,000 in the United States.

The new Abitibi securities rank immediately senior to its issue of preferred shares, and the financing was undertaken to reimburse the company for its cash investment in its new subsidiary, the Abitibi Fibre Company, and for its investment in two affiliated newsprint companies.

The particulars of the issue follow:

$4,000,000
Abitibi Power and Paper Company.

6 per cent. coupon notes dated March 15, 1927, and maturing March 15, 1931.

—Capitalization:

Funded Debt	$8,943,600
Four Year 6% Notes, due 1931	4,000,000
Capital Stock:	
7% Cum. Pfd. Stock	1,000,000
Com. Stock, no par value	250,000 shares

The company: Owns a newsprint mill with a capcity of 160.000 tons annually; a modern sulphite mill with a capacity of 60,000 tons annually; timber limits containing not less than 13,000,00 cords of spruce and four hydro-electric power plants with a developed capacity of 115,000 horsepower.

Securities: The indenture provides that as long as the notes are outstanding no senior securities may be issued unless similar amounts of notes are redeemed. $1,000,000 more notes may be issued by the company from time to time within the discretion of the directors.

Purpose: To finance the purchase of the Abitibi Fibre Company and the investment in two affiliated newsprint companies.

Assets: Net tangible assets available for this issue amount to $17,847,893.

Earnings: The net earnings over the past five years applicable to the entire funded debt and also these notes averaged almost five times the interest requirements.

Offered: March, 1927, by the Royal Securities Corporation and Peabody, Hongheteling and Company at par to yield 6 per cent.

PRICE WAR OVER, 1926 BIG YEAR FOR "BEER"

Profits Increase by Million Dollars and Touch New High Point

With no price-war to bother the company, National Breweries was able to triple its profits in 1926.

Operating profits for the year were $1,403,690, as against $405,382. This was distributed as follows:

The showing on the common stock (180,343 shares of no-par value) was equivalent to $4.93 per share as compared with a deficit of $108,123 after payment of preferred dividends in 1925.

The profit and loss account figures compare as follows:

	1926	1925	1924
Profits	$1,403,690	$ 405,382	$1,072,897
Bond int.	65,475	68,400	73,200
Balance	$1,338,215	$ 336,982	$ 999,697
Depreciation	253,308	250,855	212,155
Net profit	$1,084,907	$ 86,127	$ 787,542
Pfd. divs.	194,250	194,250	194,250
Balance	$ 890,657	x$ 108,123	$ 593,292
Com. divs.	721,314	180,344	390,688
Surplus	$ 169,343	x$ 288,467	$ 232,604
Prev. balance	2,616,405	2,904,871	2,672,267
P. & L. bal.	$2,785,749	$2,616,405	$2,904,871
Earn. on com.	$4.93	Nil	$6.57

xDeficit.

Working Capital Large

Net working capital shows an increase of nearly $240,000 at $2,244,020. Current assets are somewhat higher, while current liabilities consisted only of accounts payable and tax provision.

The working capital position compares as follows:

	1926	1925	1924
Curr. assets	$2,806,524	$2,766,958	$2,390,747
Curr. liabs.	562,504	760,029	1,245,865
Work. cap.	$2,244,020	$2,006,928	$1,144,882

Earnings were at the highest level in the history of the company. The nearest approach to the 1926 showing was in 1922, when operating profits fell about $150,000 short of last year's total. The year 1926 compares with a preceding year, during which a price war shattered profits from March to August. The company was liberal in its depreciation allowance, and over $150,000 was added to the value of plant and machinery.

Minor Improvement Seen in Prudential Report

From Our Own Correspondent.

MONTREAL.—There was a minor improvement in the earnings of the Prudential Trust Company during the 1926 fiscal year, and some improvement also in the balance sheet. The income account figures over the past two years compare as follows:

	1926	1925
Gross	$105,121	$ 96,517
Op. Ex.	103,423	95,694
	1,698	823
Reinstated Assets	14,000	......
Forfeited Shares	69,925	......
	85,623	823
Revaluating Assets	2,000	42,146
Home Bank	....	38,855
	83,623	80,178x
Prev. Bal.	233,084x	152,906x
P. & L. bal.	149,461x	233,084x

xDeficit.

The balance sheet shows that total assets have increased by $303,510. The trust funds under administration have increased by almost $400,000 and now total $4,807,255.

INTER. WATERWAYS DISPOSE OF BONDS

Proceeds of Issue For Expansion of Great Lakes Fleet

First mortgage sinking fund bonds of the International Waterways Navigation, Ltd., to the extent of $400,000 and bearing interest at 6 per cent., are being offered this week by Murray and Co.

This company was formed in 1922 for the purpose of conducting a general carrying business on the Great Lakes and the St. Lawrence River. In that year, operations were started with one vessel. Since then, the company's fleet has been increased from time to time, until at the present it consists of four steel vessels, all full canal size freighters, three of which are engaged in the carrying of grain and the fourth is at present in drydock being reconditioned as a sand-sucker.

Particulars of the issue follow:

$400,000
International Waterways Navigation, Ltd.
6% First Mortgage Sinking Fund Bonds.
Dated March 1, 1927 Due March 1, 1937

Business—Water carriers on the Great Lakes and St. Lawrence River; handle both grain and sand.

Equipment—Four steel vessels; gross tonnage 7,582; recent construction.

Security—Direct and specific first mortgage on the present four vessels.

Earnings—Average past three years $87,223, which is more than 3½ times total interest charges on bonds. Earnings for 1926 were $111,600, or 4½ times total bond interest charges.

Insurance—Provided for the maintenance of insurance on all of the above vessels to their full insurable value. The insurance is payable to the trustee for the bondholders in the case of total loss.

Sinking Fund—Commencing first day of March, 1928, a sum sufficient to ensure payment thereout of the principal of the entire issue of outstanding bonds at maturity.

Callable—In whole or in part upon one month's prior notice at 102 and accrued interest.

Purpose of Issue—Purchase of "Donald Stewart," conversion of "Aragon" as sand-sucker; and retirement of debt on "Belvoir".

Offered—By Murray and Co., at a price of 100 and interest, to yield 6 per cent.

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C.P.R. 1926 Earnings Were $14.12 on Stock

Gross at Best Level Since 1920 and Net Highest Since 1917 — Surplus Going Back Into Property $10,719,095

From Our Own Correspondent.

MONTREAL—For the 1926 year, the earnings of the Canadian Pacific Railway applicable to its common stock were equivalent to 14.12 per cent. The Canadian Pacific divides its income account into two parts, the special income account which includes revenues from ocean steamers and miscellaneous sources, and the ordinary income account which shows revenues from the operation of railways and lake steamers. The gross revenue for the year from the railway is the highest since 1920, whilst the net was the best since 1917, being almost $4,500,000 ahead of the 1925 showing. The special income account showed but a marginal decline from the 1925 figures, but the latter were close to the best showing the company has ever made in this branch of its activities.

A comparison of figures over the past four years follows:

	1926 $	1925 $	1924 $	1923 $
Gross earnings	198,025,592	183,356,006	182,502,156	195,837,090
Working expenses	153,080,465	143,201,230	145,274,914	158,358,080
Net operating	44,945,127	40,154,776	37,227,242	37,479,010
Fixed charges	14,676,359	14,438,517	14,070,281	13,470,653
Balance	30,268,768	25,716,259	23,156,955	24,008,357
Pension fund	600,000	500,000	500,000	500,000
Net revenue	29,668,768	25,216,259	22,656,955	23,508,357
Preferred dividends	4,005,944	4,005,944	3,993,341	3,675,010
Balance	25,662,824	21,210,315	18,663,614	19,833,347
Common dividends	18,200,000	18,200,000	18,200,000	18,200,000
Net surplus for year	7,462,824	3,010,315	463,614	1,633,347
		Special Income	Account	
Special income	11,056,271	11,357,375	9,971,252	11,391,952
Dividends	7,800,000	7,800,000	7,800,000	7,800,000
Balance	3,256,271	3,557,375	2,171,252	3,591,052
Previous balance	34,379,524	30,822,149	28,650,897	25,059,845
Special inc. acc. sur.	37,635,795	34,379,524	30,822,149	28,650,897
Indicated earn. ord. stock	14.12 p.c.	12.4 p.c.	11 p.c.	12 p.c.

From the figures it will be seen that to pay its 10 per cent. dividends, the company takes 7 per cent. from income derived from railway and lake steamers' operations, and 3 per cent. from its special income account. One of the satisfactory points in the figures is that the increase in the net earnings over the past four years has not been accompanied by a corresponding increase in the fixed charges. The large surplus in both special income and ordinary income accounts totals $10,719,095, a sum which, of course, is ploughed back into the company and shows that the road is continuing to strengthen its position materially.

Canada Steamships New Terminals Cost $2,000,000

Canada Steamship Lines has commenced construction of its new Toronto terminal. This has been made necessary by the harbor developments. The old terminals of the company were acquired by the city and the company purchased a new site several hundred feet out from the old location and on the new shore line created by sand-pumping.

The main feature of the passenger terminal is the up-to-date office building at the front of the property containing all the usual services for the comfort and convenience of passengers on the ground floor. The executive and staff offices of the company will be situated on the upper floor. Behind the office building will be erected a series of service buildings for the handling of baggage, customs, commissary department, staff, hospital, rest rooms, etc.

Ample parking facilities will be provided in front of the main building and definite stands will be allotted to taxicabs and sight-seeing buses. A new feature is being introduced for the handling of passengers with facility and comfort in the shape of a two-level covered runway whereby passengers embarking will be entirely segregated from passengers disembarking.

At the north end of the passenger slip ample facilities in the form of a fruit warehouse have been provided for handling, storing and marketing of Spring vegetables, fruits, etc., arriving in Toronto from the Niagara Peninsula.

The fruit shed to be constructed on the west side of the freight pier is approximately 600 feet long by 80 feet clear span.

The whole undertaking, including both land and buildings, will reach a figure of approximately $2,000,000.

The Canada Steamship Lines appears to be steadily improving both its freight and passenger facilities throughout its entire system, a policy which was inaugurated a year ago by the construction of new terminals at Queenston and Lewiston.

Unlisted Bonds

	Bid	Asked
Abitibi P. & P. 6s, 1940	104	105
Algoma Steel 5s, 1962	29½	30¾
Alberta Pac. Grain 6s, 1946	97	97⅞
Anticosti Corp. 6½s, 1941	102½	103¼
Bell Telephone 5s, 1955	101	101⅝
Belgo Can. Paper 6s, 1943	102⅛	102⅝
Brandram Henderson 6s, 1936	96¾	97¾
B. C. Pulp & Paper 6s, 1950	83	88
Brompton P. & P. 6s, 1946	99	99½
Burns P. & Co. 6½s, 1943	103¼	104¼
Calgary Brewery 5s, 1942	88¾	90
Calgary Power 5s, 1940	92½	93⅜
Canada Lt. & Pr. 5s, 1949	93¼	94¼
Can. Nor. Power 6½s, 1941	100¾	101⅝
Canada Paperboard 7s, 1937	98	99
Can. Steamship 5s, 1943	99¼	99⅞
Can. Steamship ½s, 1941	97¼	98
Can. Steel Fndry. 6s 1936	104½	105½
Davies, Wm., 6s, 1942	93½	94¼
Dominion Iron 5s, 1939	28½	30½
Dom. Power & Tr. 5s, 1932	96⅝	97¾
Dominion Textile 6s, 1949	106½	108
Drummond Investment 6½s, 1938	99¼	100
Duke Price Pr. 6s, 1966	104¾	105⅜
East Kootenay Pr 7s, 1942	103⅜	105¼
Elec. Development 5s, 1933	100¼	100⅝
Famous Players 6½s, 1943	99	100¼
Fraser Co. 6s, 1950	98⅝	99⅜
Gatineau Power 5s, 1956	96⅝	97
Gatineau Power 6s, 1941	99½	100
Howard Smith P. & P. 7s, 1941	103¾	104¼
Internat'l Paper 6s, 1941	98⅛	98¾
King Edward Hotel 7s, 1941	89	92
Lake Superior P. & P. 6s, 1941	106¼	107½
Laurentian Pr. 6s, 1936	103	104½
Laurentide Pr. 5½s, 1946	101¼	102
Maple Leaf Mfg. 6½s, 1943	103⅜	105
Maritime Tel. & Tel. 6s, 1941	103½	105
Manitoba Pr. 5½s, 1951	98¾	99½
Mattagami P. & P. 7s, 1949	112	116
Mercury Mills 6½s, 1942	100⅜	101¾
Mont. L. H. & Pr. 5s, 1951	99⅝	100
Mont. Pub. Service 5s, 1942	99	99⅝
Nor. Can. Pr. 6s, 1945	101½	102½
Nor. Ont. L. & P. 6s, 1946	101	101¾
Nor. West Utilities 7s, 1938	99¼	99⅞
Nova Scotia Steel 5s, 1959	57	62
Nova Scotia Steel 6% Debs.	32½	36
Nova Scotia Tram. 5s, 1946	91¼	93
Nova Scotia Tram. 7s, 1952	99½	100¾
Ont. Pulp & Paper 6s, 1931	109½	111
Ottawa Hull Pr. 6s, 1948	103⅝	104½
Ottawa L. H. & Pr. 6s, 1953	105	106
Ottawa Trac. 5½s, 1955	101½	102
Ottawa Riv. Pr. 6½s, 1953	102⅜	103
Port Alfred P. & P. 6½s, 1943	102	102¾
Price Bros. 6s, 1943	103¾	104⅜
Prov. Lt. & Pr. 5s, 1946	100¼	101¼
Page Hersey 6s, 1946	102	103
Quebec Pr. 6s, 1953	106¾	107¾
Rio Tramway 5s, 1935	95⅜	95⅞
Sao Paulo Tram. 5s, 1929	97⅞	98¼
St. Lawrence Paper 6s, 1946	97⅝	98¼
St. Maurice Pr., 6½s, 1953	107¾	108⅝
St. Maurice Valley 6s, 1945	99¾	100⅝
Shawinigan W. & P. 6s, 1950	105½	106¼
Simpson, Robt. 5s, 1952	95	96½
Simpson's, Ltd. 6½s, 1945	103¼	104
Southern Can. Pr. 5s, 1955	98½	99⅛
Spanish Rvr. P. & P. 8s, 1941	107	107¾
West Kootenay Pr. 6s, 1943	103½	104½
Ottawa Mont. Pr. 6½s, 1949	102⅜	103⅛
West Pr. of Can. 5s, 1949	97¼	98¼

Offer For Winnipeg Hydro

MONTREAL.—A. H. Walker and Company, of New York City, have submitted a formal offer to purchase the Winnipeg Civic Hydro system. The assets of the utility are valued at $15,000,000. The city council of Winnipeg has taken no action on the matter, as the property is not for sale.

Tenders and By-laws

March 23, Saskatoon—$256,500, 5%, 10, 15, 20 and 30 year debentures. Andrew Leslie, City Commissioner.

March 22. School Commission of La Tuque, Que.—$69,700 serial, 5 or 5½ per cent bonds. A. Roy, Sec.-Treas.

Mar. 21, New Toronto—$78,400, 5 per cent., 15 and 20-year local improvement debentures. W. B. Curtis, Treas. (See announcement on page 16.)

March 28.—St. Joseph d'Alma, P.Q.—$75,000, serial 5½ per cent. debentures. J. E. Cote, Sec.-Treas.

March 29.—School Commission of St. Dominique du Lac.—$8,000, 5 per cent., serial bonds. C. H. Michaud, Sec.-Treas.

March 25.—Village of Humberstone.—$175,636, 5 per cent., 30-instal. debentures. J. J. Wichmann, Village Clerk, Humberstone.

March 25.—Waterloo.—$33,393, 5 per cent., 10, 15 and 20 year bonds.

Saskatchewan

Authorization Granted by the Local Government Board

From Feb. 26th to Mar. 5th, 1927.

Schools.—Uplands, No. 2290, $700; Hudson, No. 3027, $2,000; Beattie, No. 3888, $2,000; Weston, No. 3063, $2,500; Fox, No. 2211, $3,700; Benita, No. 4674, $1,500; Resourse, No. 4683, $3,500; Rudell, R. T. Co., $1,000.

BOND MOVEMENTS OF THE WEEK

Week Ending March 15

Bonds—	Int. Rate	Due	Yield	Range, 1926 High	Low	Range, 1927 High	Low	Ask	Bid	Latest Price High	Low
Asbestos, 1st mtge.	6	1941	5.81	..	..	101⅜	96¼	101⅞	101⅛	101⅞	..
Do., gen. mtge.	6	1956	6.61	88¾	81	94¼	88	92½	92¼	92	..
Canada Bread	6	1941	5.50	106	104	105	105	..	105	105	..
Can. Canners	6	1950	6.02	100	94	100	96½	100	99½	99¾	99½
Cedar Rapids	5	1953	5.00	101½	98⅛	101	99	99	..	100	..
Dom. Iron	5	1929	15.20	94	86	92	69	..	75½	76⅜	..
Montreal Power	5	1933	5.02	99½	99½	100	99½	..	..	99⅞	99⅝
Montreal Trams.	5	1941	5.09	98½	98	99⅞	98¾	99⅞	99	99	..
Do., "A"	5	1955	5.20	95	92½	97¾	94¼	96⅞	96⅜	97	96
Quebec Rly.	5	1939	5.24	100	91⅞	99½	96	98¼	97½	97¾	97½
Steel of Can.	6	1940	5.28	107⅞	106	107½	106⅞	107½	106½	107	..
Wayagamack	6	1951	6.03	100⅝	90	100	97	99¼	99	99½	99
War Loan	5	1931	4.71	102.40	100.35	101.85	101.00	101.60	101.35	101.25	101.15
Do.	5	1937	4.56	104.65	102.75	104.20	102.90	103.90	103.65	103.55	13.35
Victory Loan	5½	1927	4.60	102.50	100.15	101.00	100.25	100.85	100.60	100.60	100.45
Do.	5½	1933	4.78	106.35	103.20	104.80	104.00	104.45	104.10	104.25	104.00
Do.	5½	1934	4.90	104.40	102.65	104.05	103.15	103.95	103.70	103.90	103.70
Do.	5½	1937	4.64	109.30	106.70	108.00	106.90	107.40	107.15	107.15	107.10
Do., Renewal	5½	1927	4.50	101.95	100.00	100.80	100.20	100.75	100.50	100.55	100.40
Do.	5½	1932	4.89	103.85	102.00	103.45	102.45	103.35	103.10	103.15	103.10
Do., Refund	5	1928	4.65	101.35	99.00	101.00	100.00	100.75	100.50	100.60	100.35
Do.	4½	1940	4.66	96.95	95.60	98.70	96.60	98.50	98.25	98.30	98.10
Do.	5	1943	4.76	102.80	101.10	103.00	102.30	102.70	102.45	102.65	102.50
Do.	4½	1944	4.64	97.15	95.70	98.85	96.60	98.50	98.25	98.30	98.10
Do.	4½	1946	4.62	96.90	95.65	98.60	96.70	98.60	98.39	98.30	98.25

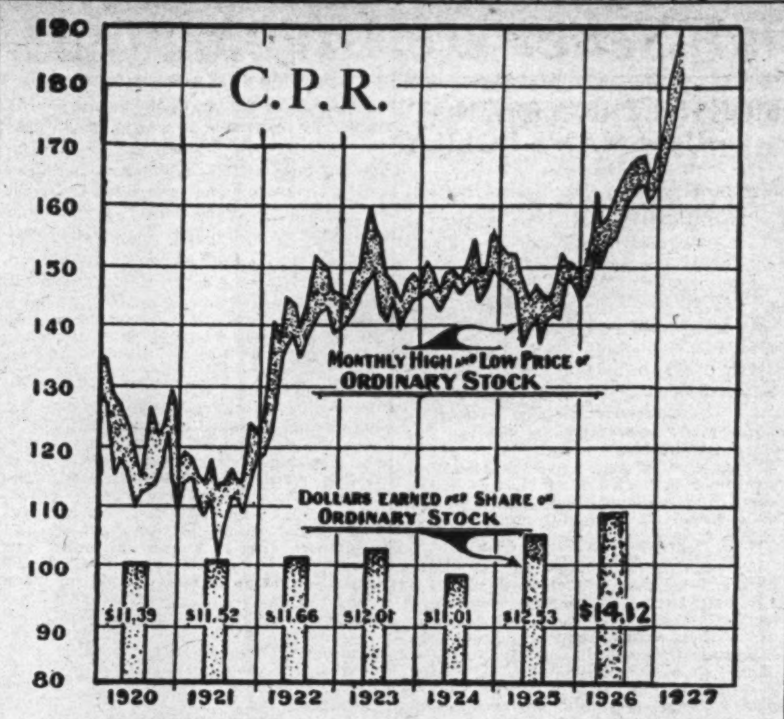
WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Place	Date Sold	Municipal —Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Sask. Phones	Mar.	Various	...	......	$2,200	......	....
District of Burnaby	Mar.	Royal Financial Corp.	5%	15 & 20 yr.	286,500	99.048	...

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Bond Issues	Date Issued	Offered by	Rate	Due	Amount	Price	Yield
International Waterways Nav.	Mar.	Murray & Co.	6%	1937	$400,000	100	6%
City of Brisbane	Mar.	National City Co.	5%	1957	7,500,000	96	5.26
Abitibi Power & Paper Co.	Mar.	Royal Securities Corp. and Peabody, Houghteling & Co.	6%	1931	4,000,000	100	6%



Canadian Pacific Gross Earnings in 1926 Highest on Record Excepting One Year

	Gross earnings	Net earnings	Special income	Operating expense ratio %
1885	$ 6,928,869.29	$2,371,349.56	$..........	65.7
1886	8,874,950.22	3,241,698.90	....	63.4
1887	10,650,254.08	3,351,208.92	....	68.5
1888	12,711,010.01	3,676,649.74	....	71.0
1889	13,016,611.81	4,019,299.76	....	69.1
1890	15,572,985.62	6,148,819.17	....	60.5
1891	20,241,095.98	8,009,659.87	....	60.43
1892	21,409,351.77	8,420,347.56	203,602.72	60.43
1893	20,962,317.44	7,741,416.05	209,862.87	63.07
1894	18,752,167.71	6,423,309.08	333,825.91	65.75
1895	18,941,036.87	7,480,950.99	552,912.96	60.50
1896	20,681,596.84	8,107,581.74	511,165.10	60.80
1897	24,049,785.07	10,303,775.89	340,706.48	57.16
1898	26,138,977.13	10,475,371.62	423,366.86	59.92
1899	29,230,038.26	12,230,165.49	1,150,198.57	58.16
1900*	14,167,797.89	5,277,946.83	1,011,358.67	....
1901	30,855,206.55	12,109,375.35	933,425.25	60.75
1902	37,503,053.78	14,085,912.41	958,826.64	62.44
1903	43,957,373.04	15,836,845.78	1,286,812.41	63.97
1904	46,469,132.24	14,213,105.03	1,691,268.51	69.42
1905	50,481,882.25	15,475,088.46	1,584,663.47	69.35
1906	61,669,758.16	22,973,312.63	1,316,870.47	62.75
1907	72,217,527.64	25,303,308.81	1,640,831.70	64.96
1908	71,384,173.22	21,792,366.02	1,541,874.03	69.47
1909	76,313,320.96	22,955,572.90	1,906,578.40	69.92
1910	94,989,490.33	33,839,955.87	2,426,477.29	64.38
1911	104,167,808.21	36,699,830.57	5,046,856.40	64.77
1912	123,319,541.23	43,298,242.83	5,158,585.40	64.89
1913	139,395,699.98	46,245,874.15	6,598,151.33	66.82
1914	129,814,823.83	42,425,927.68	8,587,870.53	67.32
1915	99,865,209.78	33,574,627.29	10,969,331.69	66.04
1916	129,481,885.74	49,225,920.46	9,940,954.94	59.75
1916*	76,717,965.36	30,874,765.86	6,415,352.45	....
1917	152,389,335.00	46,546,019.00	10,713,299.32	69.46
1918	157,532,698.00	34,502,388.00	8,128,751.51	78.10
1919	176,929,060.00	32,933,036.42	9,049,341.70	81.39
1920	216,641,349.30	33,153,044.60	10,966,447.81	84.70
1921	193,021,854.40	34,201,740.31	10,987,199.12	82.28
1922	186,675,035.00	36,301,691.00	5,242,355.00	80.55
1923	195,837,089.00	37,479,010.00	11,391,051.00	80.86
1924	182,501,158.00	37,227,241.00	9,971,252.00	79.60
1925	183,356,006.00	40,154,776.00	11,357,375.00	78.10
1926	198,025,592.00	44,945,127.00	11,056,271.00	79.22

*Six months' figures. Date of fiscal year changed.

Board Formed to Handle Sale of Maritime Livestock

Formation of the Maritime Livestock Marketing Board, was accomplished at a meeting of farmers representing livestock marketing clubs in the three provinces that handled products valued at almost $325,000 in the last year.

The new organization will take in all clubs which have been operating in the Maritime Provinces for a number of years, and handle their selling operations through a directorate composed of seven members, one from Cape Breton, two from the mainland of Nova Scotia, two from Prince Edward Island and two from New Brunswick. When it is found advisable shipments will be pooled and returns distributed pro rata. The constitution asserts that the marketing board shall not buy for itself livestock to be marketed at a later date, but shall act only as an agency.

It is anticipated that proper functioning of the Board will ensure the greatest possible margin of profit to farmers in marketing their livestock and to encourage the production of livestock and livestock products of the type and quality suitable for the market, to sell according to grade and to market at the most profitable seasons of the year.

This Week's Bond Sales

DISTRICT OF BURNABY

The tender of the Royal Financial Corporation of Vancouver at 99.048 was accepted by the District of Burnaby, B.C., for an issue of $286,500 5 per cent. 15 and 20-year bonds for municipal improvements. Tenders follow:—

Royal Financial Corp.	99.048
Royal Securities Corp.	97.78
Fry, Mills, Spence & Co.	98.778
Wood, Gundy & Co.	98.77
Dyment, Anderson & Co.	98.67

Buy Three Issues

The Credit Anglo Francais has been awarded the following issues:

$35,000, 5½ per cent., serial bonds. Township of Bagot P.Q., at 101.34.

$25,000, St. Fulgence, P.Q. serial bonds at 102.15.

$15,000, School Commission of La Salle, P.Q., 5½ per cent., serial bonds at 103.05.

ELECTED CANNERS' DIRECTOR

At the annual meeting of Canadian Canners held at Hamilton, this week, R. L. Innes, manager of the company's plant at Simcoe and supervisor for Western Ontario, was elected to the board of directors. T. Croucher was named secretary. There were no other changes in the board or executives. The annual financial statement of this company was published a week ago.

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Absence of New Issues Feature of Bond Market

During the last few weeks, according to Wood, Gundy and Co's bulletin, the Canadian bond market has been marked by the absence of important new issues, and, in view of the availability of large sums for investment, the several new issues that appeared during January have been quickly absorbed by investors. The consequent result has been that the floating supply of high grade bonds remains small and prices continue firm.

In considering prevailing prices, it is interesting to compare interest returns now afforded by Government and Municipal bonds with those prior to 1914. Records indicate that interest rates today are approximately 1 per cent. higher than the average rate obtainable during the fifteen-year period, 1900-1914, and there is a tendency on the part of many investors of wide experience to compare present interest returns with those of the pre-war period, rather than with the abnormal rates that were current during several post-war years. By comparison, present returns are considered attractive.

Well secured Corporation bonds also offer favorable investment opportunities, there being available a number of such bonds—in many cases secured by first mortgage—to yield 6 per cent. or more.

Big Increase in Business

The new life insurance issued by the Ontario Equitable Life, between January 1st and March 15th, 1927, shows an increase of 50 per cent. over the same period in 1926.

Public Services
Public Service Companies are public necessities and grow as the country grows. That issues of such companies therefore possess a high degree of security has been amply demonstrated in the cases of the following:
Montreal Tramways 5% 1941
Montreal Tramways 5% 1955
Bell Telephone......5% 1955
Quebec Power......6% 1953
Quebec Ry..........5% 1939
St. Maurice Power 6½% 1953
Montreal Pub. Ser...5% 1942
Laurentide Power .5½% 1946
Duke-Price Power...6% 1966
Manitoba Power .5½% 1951
M. L. H. & P.........5% 1951
Gatineau Power.....5% 1956
Gatineau Power.....6% 1941
Can. Nor. Power 6½% 1941
Winnipeg Electric...6% 1954
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Public Utilities: Manitoba Power, North Mex. Power, Power Corp. of Can., United Securities
Oils: Imperial Oil, British American, Int. Petroleum, Venez. Petroleum
Alcohol: Seagram, Gooderham & Worts
Mining: Amulet, Area, Argonaut, Dome, Lake Shore, Laval-Que., McIntyre, Stadacona, Teck-Hughes
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Now, as a result of almost a half century of investment experience, we are offering to the investors of Canada what we consider to be the safest and most convenient investment it has been our pleasure to offer.
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Insurance for Buyer and Seller

HOW ACTUARIES DETERMINE LIFE INSURANCE RATE

Of Premium, 85% Goes to Pay For Benefits Received

The average policyholder probably understands as little about the costing or 'mechanics' of life insurance as he does about the fourth dimension. Every now and then, however, the actuarial veil is thrown aside and some light is thrown upon this extraordinarily fascinating subject which affects some hundreds of thousands of policyholders across the length and breadth of Canada. Recently J. H. Lihgow, actuary of the Manufacturers Life Insurance Co. descended from the realms of higher mathematics and discussed with the Toronto chapter of the Canadian Society of Cost Accountants, a few of the principal features of the life insurance business.

One of the principal problems which insurance actuaries have to face is the determining of the rates of premium on the various policies which we issue.

The simplest form which a life insurance policy can take is a one year term policy, under which the person insured pays one premium and the company agrees to pay the sum insured under the policy to the beneficiary in the event of the person insured dying within the ensuing twelve months.

Determining Simplest Premiums

To determine the premium which should be charged per unit of sum insured, the companies first have reference to what is known as mortality tables. These tables have been prepared from the combined experience of the companies covering a sufficient number of lives to permit reliable conclusions. They show at each age the probability of dying during the following year. Let us suppose that at age 35, for example, this probability (which is called the rate of mortality) is .05, or in other words, out of 1,000 persons aged 35, 5 will, on the average, die within the next twelve months. If then we are going to pay $1,000 to the beneficiary of each of the 5 persons dying we would require each of the 1,000 insured to pay a premium of $5.00 at the beginning of the year, assuming for the moment that there is no such thing as interest or discount, and that the entire transaction could be carried out without expense or profit.

Considering, however, that the premiums paid will be invested and earn interest up to the time the money is required to pay the claims, we see that the company can afford to accept a premium slightly smaller than the $5.00 mentioned, depending on the rate of interest which it can earn.

This smaller amount is what is known as the net premium and from it the gross premium, which is charged the person insured, is obtained by making an addition to cover all the expenses commencing with the cost of selling the insured the policy and ending when the amount of the policy is paid the beneficiary.

Increasing Annual Premium

The foregoing illustrates the general principles which are followed in the calculation of premium rates, although the calculations for policies running for a longer term and involving more complicated benefits are naturally more intricate. There is one feature of policies which run for more than one year which, in view of its important effect upon the business and the companies, calls for some explanation. The probability of dying or the rate of mortality naturally increases with the increase in age and consequently a person taking out a policy covering the whole of his life would each year pay an increasing premium to cover the increasing risk.

This is not unsound in theory, but in practice it is found that the person insured desires to pay a premium which is level each year. As a result the insured pays in the early years a premium larger than that necessary to cover the current risk and in the later years a premium less than that required. Consequently, the company must set aside this excess premium from the early years and accumulate it in order to help meet the claims as they fall in later on. It is said that results in the life companies having such large accumulations of assets which must be carefully invested and against which an actuarial liability, known as policy reserves, appears in their balance sheets.

In view of the fact that policies may run for many years from the time they are taken out, the assumptions made in the calculation of premiums as to the rates of mortality, interest and expense which will be experienced in the future must be on a very conservative basis.

Selection of Risks

As you are aware, after you have succumbed to the arguments of the life insurance salesman, you are asked by the company to furnish detailed information over your signature as to your age, your family history, your occupation or medical attention you may have had; in addition you may be asked to undergo a physical examination by one of the company's medical examiners. Further, unknown to you possibly, confidential enquiries are made concerning you along lines relative to your insurability.

All this information is not desired to satisfy the company's curiosity, but is in order to enable the company's medical directors and actuaries to determine whether or not you are insurable, and, if so, on what terms. Generally speaking, applicants for insurance may be divided into three classes: (1) those who are found to be acceptable at the regular rate of premium—known as standard risks; (2) those who are believed to be acceptable at an increased rate of premium or on a modified plan—known as sub-standard risks; and (3) those who, either on account of the seriousness of their physical condition or lack of knowledge on the part of the company as to the mortality which they will experience, are declined. The average run of applicants are divided into the three foregoing classes, approximately as follows:

85 per cent standard risks.
10-15 per cent. sub-standard risks.
2 per cent. declined.

BERNARD LOCKWOOD.
Fellow of the Faculty of Actuaries, Associate of the Institute of Actuaries (England) and of the Actuarial Society of America, and who is now secretary-treasurer and actuary of The Maritime Life Assurance Company with head office at Halifax.

Costing Life Insurance

When we come to determine and analyze the cost of life insurance we at once have to consider what life insurance really is. We find that there is no raw material and no cost of manufacture, such as there is with other commodities. Instead we find that a life insurance policy is merely a promise on the part of the company to pay a certain sum of money in the event of a certain contingency arising, usually the death of the person insured. In consideration of this promise the insured agrees to make certain stipulated premium payments.

Before proceeding further we must give some attention to the principles underlying the two forms of insurance, which are issued, namely, the non-participating or without profit system, and the participating or with profit system.

As was mentioned in dealing with the determining of premium rates the assumptions made concerning the various factors which enter into their calculation are made on a conservative basis, with the result that a slightly higher rate of premium than is necessary is charged and a profit to the company results. This profit arising from policies issued under the non-participating system belongs entirely to the shareholders of the company who would, on the other hand, have to bear any loss which might occur. The non-participating system is the one on which forms of insurance other than life insurance are done and was the one upon which life insurance policies were first issued.

Participating Insurance Plan

Owing, however, to the fact that the thrift or savings idea is closely associated in the mind of the public with the idea of life insurance, and to the natural desire which we all have for profit, the participating system grew up. Under this plan the insured pays a premium slightly higher than that charged on the non-participating plan and in return the company agrees to pay to the insured a proportion of the profits earned. The proportion which the insured receives in Canada is regulated by the Dominion Insurance Act, whereby the insured must receive at least 90 per cent., the balance, of course, going to the shareholder. A number of the companies have, however, voluntarily increased the policyholders' proportion in some cases up to as high as 95 per cent, and it is not unreasonable to expect that this percentage may be still further increased.

We therefore must keep in mind that the premiums which are received by the company must cover both in the case of participating and non-participating insurance the following:

1.—The net cost of the actual payments which the company under its policies promises to pay the beneficiary or the insured.

2.—The expense involved in selling the business.

3.—The administration expense involved during the whole course of the policy.

4.—The margin of profit available for shareholders, or policyholders and shareholders.

Relation of Mortality Rate

Dealing with them separately and in order, it may be pointed out that the net cost of the astual payments depends upon the actual rates of mortality and interest which the company experiences.

In regard to the rate of mortality, I may say that it has been steadily improving for some years now due to advances in medical science and public

(Continued on page 22)

MONTHLY INCOME NOT RICH MAN'S POLICY

Metropolitan Life Man Calls It Ideal for Salaried Class of Earner

That monthly income insurance was not a rich man's policy, but was ideal for the average salaried man, was the opinion given this week by Henry E. North, superintendent of agencies, Metropolitan Life, Ottawa. Speaking to the Life Underwriters' Association of Toronto, at their monthly meeting, Mr. North emphasized his faith in the future of this type of policy as being most desirable from the point of view of the insured, the beneficiary, and of the underwriter.

Carrying on Same Plan

As regards the insured, Mr. North pointed out that the chief function of life insurance was to ensure economic, as against material, life. The best way of ensuring this economic life, after the material life of the policyholder had passed on, was to continue it in the same form as during the life of the insured. The average man did not receive his salary in a lump sum, and on the same principle life insurance lost some of its value by being paid at once on the death of the insured.

With regard to the beneficiary, the chief value of this type of policy was that it removed all possible worry for the future. The monthly or periodic payments were absolutely certain, and freed the beneficiary from every possible financial worry. One of the dangers of the payment of a large sum of insurance money was that it upset the beneficiaries' scale of values and tended to put those concerned on a false financial plane. Regular periodic payments enabled the beneficiary to maintain her standard of living without the disruption caused by the momentary appearance of a large sum of money.

As far as the underwriter was concerned, Mr. North believed that income insurance offered a great opportunity to build up a permanent clientele. The underwriter under this type of policy could plan an insurance programme which could be increased at regular intervals until an adequate amount of protection was provided.

Willingdon's Visit New Office

(Staff Special).

OTTAWA.—Lord and Lady Willingdon paid a private and unofficial visit to the new Metropolitan Life Insurance Co. building at Ottawa this week. Their Excellencies were escorted through the building by A. F. C. Fiske, H. E. North, and G. M. Herrick, of the Canadian head office.

Marketing report, read at the annual meeting of the Manitoba Co-Operative Poultry Marketing Association, showed 946,307 pounds of dressed poultry placed on the market as compared with 653,742 the previous year.

Ask Power to Invest in Foreign Companies

Staff Special.

OTTAWA.—Some criticism has been raised by insurance men against one feature of the new amendment to the Dominion Insurance Act, which allows Canadian fire insurance companies to invest in the shares of any other Canadian company doing a like business. This amendment, which permits investment up to fifteen per cent. of the investing company's assets, was enacted to prevent the ultimate disappearance of the purely Canadian fire insurance company.

The criticism centres around the fact that the new amendment provides that such investments may only be made in the shares of other Canadian companies. It is contended that this will only partly cure the existing evil, and that the best solution would be to permit Canadian fire insurance companies to invest in the shares of both foreign and Canadian fire companies. The bill has at present passed the committee of banking and commerce and, although the point was not raised in committee, it is predicted that the matter will be opened up when the bill returns to the house for its final reading. Officials of the department are apparently not opposed to giving the additional power to the Canadian companies, but they contend that the original amendment is sufficient for the time being at least.

Johnston & Ward Expand

MONTREAL.—The opening of a branch office in Saint John, N.B., on April 1, is announced by Johnston and Ward, of Montreal, stock brokers and bond dealers. This will mark the opening of the eleventh branch of the company.

Johnston and Ward also announce that S. Allan Thomas and Donald W. Armstrong, formerly of the firm of Thomas, Armstrong and Bell, of Saint John, N.B., investment bankers, have joined the Johnston and Ward organization.

[Ad No. 5 in a series on Business Mortality]
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The first premium on a life insurance policy creates an immediate estate equal to the face value of the policy.
The estate, so simply created, is easily maintained by small annual deposits.
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OF CANADA
Head Office: Montreal

The Financial Strength of This Company
ECONOMY in administration, a low mortality rate due to care in acceptance of risks, and the high earning power of the company's investments, keep The Mutual Life Assurance Company of Canada in an exceptionally favorable financial position.
SOME RECENT FIGURES
Business in force....$354,069,722
Total Assets............$80,612,533
Average Rate Earned by Investments..................6.48%
Ratio of Expense to Income.........................15.11%
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The MUTUAL LIFE of Canada
WATERLOO, ONTARIO
S91

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HEAD OFFICE: WINNIPEG, CANADA
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SEATTLE, WASHINGTON
Head Office for Canada: HAMILTON, ONTARIO
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BRANCH OFFICES
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Saskatoon, Winnipeg, Montreal, St. John, Halifax, and Charlottetown.

Metropolitan Life Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received. Canadian policies issued and Canadian claims paid in Ottawa.
Business Written in Canada in 1926....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1926. $633,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1926.. 2,215,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1926...... $ 8,540,178
Investments in Canada, at end of 1926....... $125,150,919
Invested in Canadian Government and Municipal Bonds.. $ 88,743,283
Canadian Head Office
Ottawa, Canada.

Current Events in Banking World

SAYS BANKS WILL WORK OUT SYSTEM OF ZONING AREAS

Fewer Branches, Higher Salaries, Forecast by George Wilson

From Our Own Correspondent.

KITCHENER.—Citing the branch system as the feature of Canadian banking which is responsible for the saving of Canadian banks from ruin during the year which followed the collapse of the post war inflation period, George Wilson, of Toronto, former assistant general manager of the late Union Bank of Canada and the immediate past president of the Toronto Board of Trade, gave a most intellectual and informative address in his talk entitled "Retrospect on Banking" at the inaugural meeting of the Kitchener Bankers' Educational Club. In referring to the period following the war, Mr. Wilson scored the Canadian banks for the manner in which they gave vent to the branch building craze. He also outlined the benefits the Canadian banking system has over the unit system of the United States. Speaking as a banker who was close to the helm which steered the course of the banks through strenuous after-war period, he stated that the time when the unproductive branches will be eliminated and the salary of the banker made more attractive is not far distant.

Aims of New Body

The new organization which has as its aim a fuller education of bankers in the background surrounding this profession in Canada, was effected by a committee headed by T. R. Richardson, manager of the Imperial Bank of Canada, and assisted by D. A. MacMillan and A. J. Cundick, managers of the Bank of Montreal and the Bank of Nova Scotia, respectively. The committee was appointed by the Kitchener Clearing House Association. The officers elected at a meeting following the dinner and address are: Chairman, J. H. Smith, accountant of the Canadian Bank of Commerce; vice chairman, C. P. Jones, assistant accountant of the Bank of Nova Scotia; secretary, A. M. Gillespie, assistant accountant of the Bank of Montreal; and treasurer, L. T. Henderson, accountant of the Imperial Bank of Canada. The executive committee consists of an accountant from each branch bank in the Twin Cities.

Mr. Wilson, in opening his address, gave an insight into the history and origin of the Canadian banking system, and paralleled it with that of the United States. Contrary to a general impression, he said the Canadian system of banking was not patterned after the Scottish system, but was fashioned on the same principles and basis as the Bank of United States, which was founded by Alexander Hamilton in 1779, which flourished for some years until, coming under British control, it failed, due to the deep political prejudices existing at that time in the United States against Great Britain. The first real system to follow this one in the United States was that of the unit system, which was adopted at the beginning of the American Civil War, and which is still in vogue.

Used to Have Provincial Charters

Prior to the union of the Canadian provinces, banks were governed under the provincial charters, but, since the time of Confederation, banking has been carried on under the unified system of the Bank Act, which, with the exception of slight variations and revisions, is still exactly as it was in 1867. The first revision was made in 1880 when the bank circulation redemption fund was provided for. The second important

(Continued on page 21)

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	Mar. 11, 1926	Mar. 10, 1927
Halifax	$ 3,035,729	$ 2,790,225
St. John	3,164,028	2,376,885
Moncton	798,881	693,760
Quebec	4,570,842	6,207,475
Sherbrooke	711,838	960,568
Ottawa	5,810,855	7,162,081
Montreal	101,760,828	113,363,300
Kingston	716,760	653,608
Peterboro'	695,734	761,923
Toronto	89,536,087	101,711,628
Hamilton	4,128,013	5,033,973
Brantford	1,145,832	1,112,483
Chatham	646,111	792,153
London	2,384,122	2,938,778
Kitchener	898,555	952,925
Sarnia	....	605,157
Windsor	3,214,521	3,964,332

Western Cities	Mar. 11, 1926	Mar. 10, 1927
Fort William	$ 741,141	$ 861,698
Winnipeg	35,018,979	40,356,865
Brandon	430,243	447,100
Regina	3,191,586	3,692,875
Moose Jaw	949,258	1,170,183
Saskatoon	1,530,613	1,669,966
Prince Albert	357,177	398,549
Lethbridge	499,444	523,653
Calgary	7,074,542	6,743,518
Edmonton	4,172,220	4,508,594
Medicine Hat	249,606	262,448
New Westminster	626,054	720,332
Vancouver	15,681,912	14,475,127
Victoria	2,136,590	1,928,379

Atlantic Sugar Refineries
LIMITED
Lantic Sugar
General Offices
211 McGILL STREET
MONTREAL
Refineries - St. John, N.B.

Short Cut Shown to Balance Totals

Royal Bank Magazine.

There are evidently many of our ledgerkeepers who are not acquainted with the axiom that addition is easier than subtraction. For their benefit we may say that the practice of making a total of several debit entries and subtracting this total from the balance entails needless work. It is quicker, simpler and more accurate when summing the list of debits merely to add in the figure required to make up the digit of the previous balance, and place this figure in its relative position in the balance column.

To demonstrate:

Debits	Credits	Dr. or Cr.	Balance
	1,362		1,362
124			
259			
327			
224		Cr.	428

In the above example the total of the units in the debit column is 24. To 24 should be added 8, the amount required to make 32, the nearest amount above 24 containing the unit 2 in the balance column. 8 should be placed in the unit position of the balance column opposite the last debit entry and 3 should be carried forward to and added with the tens of the debit column which would then total 14. Proceeding in the same way as above, the digit representing the amount required to be added to 14 to make 16 (six being the tens digit in the original balance) that is 2, should be placed in the tens column of the new balance and 1 should be carried forward to and added with the hundreds of the debit column, which would then total 9. Proceeding as before, the digit representing the amount required to be added to 9 to make 13 (three being the hundreds digit in the odd balance) that is 4, should be placed in the hundreds column of the new balance, thus completing the operation. In order to simplify the example the decimal point has been omitted.

This procedure may seem strange at first, but practice makes perfect, and it is surprising how little practice will be required to obtain satisfactory results. Senior officers who are not already aware of this system will quickly appreciate its advantages and should urge its adoption by all ledgerkeepers.

Says Bank Salary Same as Preacher's

(A Letter to the Editor).

The discussions in your paper have proved very interesting to bank employees.

The writer is still only a young man with nine years' experience in Canadian banking. As I meet old school acquaintances, I compare my position with theirs and find that, in practically every instance, they are receiving considerably more remuneration in other lines of endeavor than I receive.

These young men cannot lay claim to a better education as in nearly every instance I surpassed them in my school studies. Since entering upon my present position I have been encouraged to study Canadian Bankers' Association courses and have been successful in these. In other ways I have studied my chosen profession.

I cannot claim that my institution has been unfair to me as my increases have been the same as other young men of similar length of service.

What must be my conclusion? I and my fellow workers are being underpaid and would have been better off had we chosen some other line of endeavor. I am astonished to find that young men taking up work as ministers are now paid by certain Protestant denominations a minimum salary which at this moment exactly equals that which I receive. These men give their lives to their work without thought of their income. Are we to consider that a young man entering the field of Canadian banking after nine years' experience is not underpaid when we make this comparison?

Of course it will be stated that the young banker is 30 to 35 years old before his salary is such as to permit him to take upon himself the responsibility of marriage and a home. Really rather late in life, but salary is such and requirements are such that to be at all successful the young banker must be content to wait. Does not this kill ambition, sift out the alert and leave the dead wood? Is this not the reason that we find keen young men leaving the banking field daily and procuring positions elsewhere?

It is, I think, true that from the age of 40 onward, a banker's salary compares in most instances with the average business man in similar fields. Would it not prove an advantage to the banks and their employees to devise a scheme whereby a young man would receive a fair salary between the ages of 25 to 40 instead of having to wait so many years to receive a salary enough to make him content in his field?

Regardless of any defence that may be brought forward, I sincerely believe that it is to the best interests of our Canadian banks that they devise some change to hold the employee who leaves his desk between the ages of 25 to 40 to seek some other field.

"IN THE RANKS."

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST
& Executor Company
46 King St. W., Toronto

Staff Gossip

C. E. Soles, who has acted as manager for the Bank of Commerce in Magog for the last six years, has been promoted to the post of manager at Rock Island.—Record, Sherbrooke.

* * *

F. A. Morgan, who has been the manager of the Knowlton branch of the Canadian Bank of Commerce for twelve years, has been transferred to Magog.—Record, Sherbrooke.

* * *

J. B. Renaud, of the St. Catherines and Drummond street branch of the Bank of Montreal, Montreal, has been transferred to the Shediac branch of that institution. Mr. Renaud succeeds as accountant George Lutes, formerly of Chatham and Point du Chene, transferred to the Wolfville, N. S., branch.—Telegraph-Journal, St. John.

* * *

C. D. Nadeau has been transferred from Chesterville to the position of accountant in the Bank of Montreal here. He succeeds D. O. Deacon, who has resigned.—News, Collingwood.

* * *

Jim Mitchell, who was formerly of the staff of the Bank of Montreal here, and who was transferred to Stratford, has again been transferred and is now at the Woodstock branch.—Reporter, Galt.

* * *

W. G. Bedford, a former manager of the Arthur branch of the Standard bank, who recently has been located in Richmond Hill, has left to take over the bank's important branch in St. John, N.B. This transfer is a decided promotion.—Mercury, Guelph.

* * *

C. F. Whalley of the local branch of the Bank of Montreal has been transferred to a branch of the bank in Mexico. Mr. Whalley has been with the bank here since 1923 as liability clerk. He came from London, England, in 1920, to the head office in Montreal and then here in 1923.—Whig-Standard, Kingston.

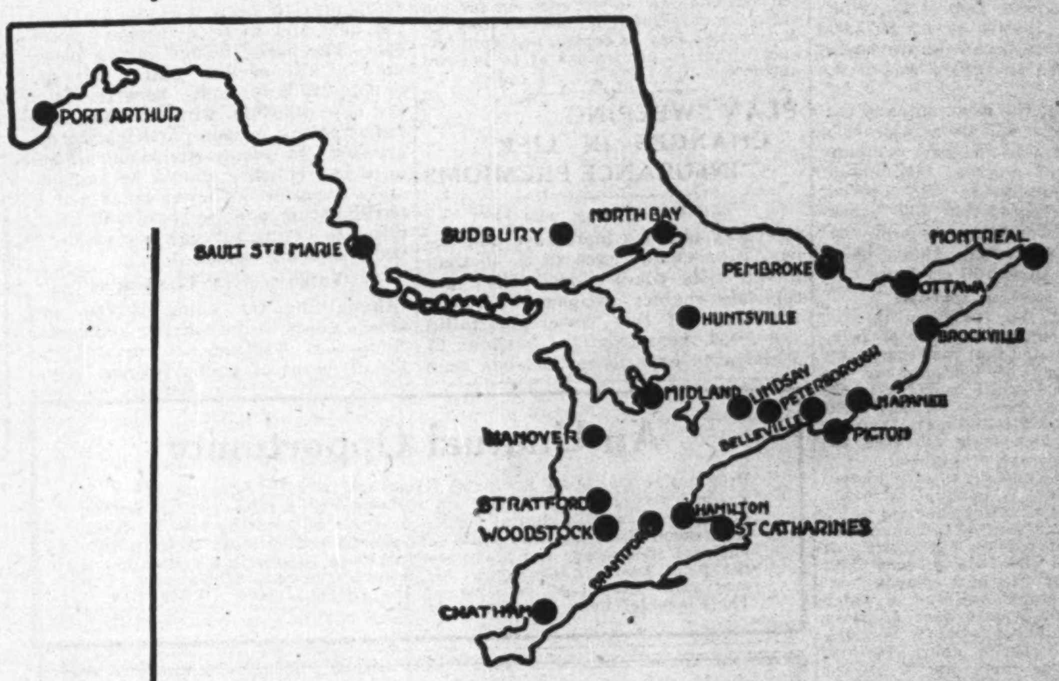
* * *

The Imperial Bank announces the following staff changes: C. C. Case, formerly manager at Daysland, Alta., has now been appointed manager at Bolton, Ont. J. Burgoyne, formerly manager at New Norway has been appointed manager at Daysland. J. A. Black, formerly attached to Wilkie, Sask., staff, has now been appointed manager at New Norway, Alta. J. B. Twamley, formerly teller-accountant at Queen and Kingston Rd., Toronto, has been appointed accountant at Kirkland Lake, Ont.

* * *

A. G. Beattie, for the past year a member of the staff of the Ontario Savings bank branch, Market street here, has been notified of his transfer to the Toronto branch, corner Bay and Adelaide streets, which becomes effective at once. T. E. Atchie, now on the staff of that office, will assume his new duties in Brantford.—Expositor, Brantford.

CPTC
A Custodian Account
SECURES the maximum care for your investments. Interest and dividends are collected and remitted; principal maturities reinvested as you direct and a detailed statement furnished you periodically showing all income and principal received, with the necessary income tax advice.
Can you afford to be burdened with the detail of caring for your securities when we are equipped to furnish custodianship service at the reasonable charges which we make for such service?
Confer with our Trust Department for information.
THE CANADA PERMANENT TRUST Co
Paid-up Capital One Million Dollars
Toronto Street, Toronto.
Manager, Ontario Branch - A. E. HESSIN



1,000 Years of Successful Business in Canada

THE experience and assets of more than 1,000 years' business success have been capitalized in the formation of the Canadian Department Stores, Limited. Each of the twenty-two stores united in this organization has had an average of more than forty-four years' prosperity. None has ever shown a financial loss.

• • • • •

Generations ago these were the "general stores" that catered to the needs of a pioneer civilization, and promoted the growth of sparsely settled communities. And as the villages and towns became thriving cities, these stores prospered accordingly, and blossomed forth as up-to-date department stores.

• • • • •

Today, recognizing the great advantages of large volume buying, the department stores have pooled their resources and founded the greatest chain store system in Canada. Through the Canadian Department Stores, Limited, they have greatly multiplied their purchasing power, and now offer their customers the newest and best of goods at notable savings.

• • • • •

Even in the worst business years Canada has experienced during the past decade audited statements bring out the remarkable fact that all of these stores showed splendid earning power—in fact, actual net earnings were much in excess of all interest requirements. How many investment fields have shown such a record?

• • • • •

An opportunity for prudent investors to share in the future prosperity of this consolidation is afforded by the issuing of First and Refunding Mortgage Income Gold Bonds that yield 7 per cent. Bonds may be secured in denominations of $100, $500 or $1,000. More than 60 per cent. of this issue is being taken by the former owners of the stores, who continue as managers.

Canadian Department Stores, Limited, the largest chain store system in Canada, includes the following stores:—

Duncan Ferguson Co., Limited, Stratford
Dundas & Flavelle, Limited, Lindsay
The Ritchie Co., Limited, Belleville
E. J. Coles Co., Limited, Woodstock
The Chas. Austin Co., Limited, Chatham
A. Bristol & Son, Picton
The Robt. Wright Co., Limited, Brockville
H. H. Engel & Co., Limited, Hanover
Bryans, Limited, Sault Ste. Marie
The Robinson Co., Limited, Napanee
Ogilvie-Lochead, Limited, Brantford
A. A. Fournier, Limited, Ottawa
Beamish & Smith, Limited, North Bay
Huntington's, Limited, Midland
The Cressman Co., Limited, Peterborough
Beamish & Adams, Huntsville
McLaren & Co., Limited, St. Catharines
I. L. Matthews & Co., Port Arthur
Letendre, Limited, Montreal, Que.
Stafford, Limited, Sudbury
Fenton & Smith, Pembroke
T. H. Pratt, Limited, Hamilton

We are offering First and Refunding Mortgage Income Gold Bonds in Canadian Department Stores, Limited, at 100, to yield 7%.
There will be delivered with each $1,000 bond of this series ($4,250,000) five shares of the no par common stock of the company.
For detailed information of this most attractive investment communicate with:

Municipal Bankers
Bond and Sales Corporation Limited
Toronto
Montreal . Ottawa . London

H. B. Robinson & Co.
Limited
Toronto and Montreal

NEW BLOOD OFFERS TO BUY SAWYER, MASSEY CO., EXCHANGE SHARES

(Continued from page 1)

year in which there was an operating profit was in 1922, when $19,155 was shown. After bond interest, provision for bad debts, etc., the loss for the year was $137,197. In 1923 the operating loss was $70,983 and the net loss $172,046. In 1924 the operating loss was $61,840 and the net loss $104,167. In 1925, the operating loss was $87,152 and the net loss $189,661.

Operating Deficit $296,000

The 1926 balance sheet will go to shareholders with the notice or regular and special meeting in connection with the reorganization proposal. The figures have not been officially published, but it is known that the operating loss for the year was $72,575, to which was added $18,884, bond interest and bond expense. A further sum of $75,594 was appropriated for reserve for losses on long-term notes accruing in the sale of agricultural machinery.

Operating deficit of the company as at the end of the last fiscal year totaled $296,625. Total current liabilities are $2,109,882 and current assets are $1,813,257, of which $1,170,882 is bills receivable and the balance representing inventories. Fixed assets are valued at $2,398,928, which include branch warehouses, etc., as well as the plant and equipment at Hamilton.

Gross business in 1926 was $848,000. This was less than 1925; when machinery to the value of $974,000 was sold, but was an improvement over 1924, when the gross was $744,000.

Organizers of the new company calculate that there will be a fair profit for shareholders in the new company on the basis of a gross business of $1,250,000 annually. In the present year it is anticipated that 400 threshers can be manufactured and that 500 can be marketed, there being slightly more than 100 on hand.

Expect Revenue Increase

Marketing of 500 threshers in 1927 will give the company revenue of $875,000. It is calculated that road machinery and tractors can be marketed to the value of $600,000, which would give the company a gross revenue of $1,475,000, or approximately $225,000 more than the minimum at which it is expected the company can operate profitably.

In addition, the new organization hopes to extend its lines to include the manufacture and sale of various devices which are not now manufactured in Canada and which are imported over a tariff. It is expected that all of the present plant will be used by the new company except one three-storey building in which there are 59,000 square feet of floor space. This building formerly was the Sawyer-Massey wooden churn factory. It is years since there was a market for wooden churns. The machinery in this building, it is said, can be readily adapted to another purpose. Tentative arrangements have been made already for the renting of the building and equipment.

Financial troubles of Sawyer-Massey Co. have been attributed to various causes. One of the primary difficulties was in the financing of sales of threshing machines in the Canadian Northwest when the purchasing power of the agricultural community was at a low point. About the time some improvement in the credit situation was noticeable, the government reduced the duty on threshing machines to 10 per cent.

Competition From U. S.

This brought an intensified competition from the United States, with the result that machines had to be sold on even more liberal terms than had been the practice theretofore. For a time, machines were being delivered to customers on extremely low down payments. The company's bankers later suggested that a minimum of 10 per cent. down be required. Adherence to this policy reduced somewhat the gross sales but improved the credit position of the company. But, even with this provision, more than $1,250,000 in uncollectable accounts had to be written off in the course of a few years.

Impairment of working capital on account of the agricultural credit situation was a factor in preventing the company from developing its road-machinery business to the extent that might have been possible. Sawyer-Massey raod machinery bears a good reputation and it is anticpated that the new company, with adequate working capital, will be able to increase this business materially.

Former Plan Fell Through

Reports of refinancing of Sawyer-Massey Co., have been in circulation for more than a year. The present plan is of later creation, however. About a year ago a committee of shareholders attempted to raise a fund among shareholders with a view to giving the company new working capital, but after several months of effort only $30,000 was in sight, so the scheme was abandoned as impracticable.

In view of all the circumstances it is believed that the proposal to be voted on by the shareholders is to their advantage. The bonded debt ahead of the new no-par shares will be moderate in proportion to the total assets and potential earning power of the company. The preferred shareholders, it is thought, will have better prospects of getting returns on their investment than at present, while the common shareholders may be no worse off than at present, with their stock having no actual market value whatever.

The 16,500 shares in the new company will be turned over to the old company as such rather than to the shareholders thereof. It is evidently to be suggested that the reasonable basis of exchange would be share for share for the preferred and one new no-par common for ten old common. But it is possible that the distribution may be determined by reference either to arbitrators or to judicial authority.

PLAN SWEEPING CHANGES IN LIFE INSURANCE PREMIUMS

(Continued from page 1)

mortality is much more favorable today, between the ages 15 to 40 than it was fifty years ago. The new schedule enables companies to take advantage of this lower mortality and frees them from the bondage of a mortality experience that has been obsolete in Canada for five or ten years.

The recommendations, as they now stand, are practically identical with the recommendations made about a month ago by the Actuaries Club of the Canadian Life Officers' Association, to the Superintendent at Ottawa. These recommendations were the result of a questionnaire sent to the companies last August by G. D. Finlayson, the superintendent. The actuarial committee, headed by V. R. Smith, of the Confederation Life Association, report that the recommendations are the unanimous opinion of Canadian life insurance companies.

Briefly, the proposed amendment wipes out the present basis upon which actuarial reserves must be determined, and allows companies operating in Canada to use any one of seven authorized mortality tables. The old reserve table was the O.M. (5) table, which recorded the experience of British males between the years 1863 and 1893. The new tables are as follows:

(a) Canadian Men Table, CM (5)
(b) British Offices Life Tables, 1893, Om (5)
(c) British Offices Life Tables, 1893, Om.
(d) British Offices Life Tables, ,1893,, O (m)
(e) Institute of Actuaries of Great Britain, Hm.
(f) American Men Table AM (5).
(g) American Experience Table, Am Exp.

Give Greater Elasticity

The value of allowing any one of the seven tables to be used is to allow British and American companies, writing business in Canada, to continue their present ratings if desired, and at the same time to allow the companies to reap the advantage of the new and more favorable experience. The policy holder buying insurance at the earlier years will undoubtedly reap some benefits from the new schedule, whether he buys participating or non-participating insurance. In non-participating insurance the benefits should be immediately apparent by lower rates and in participating policies there will be an ultimate saving through a revision of profit-sharing scales.

Value to New Companies

Regarding the value of the new amendments to the smaller and newer companies. The new act provides that for all types of policy (except industrial and life annuity plans), no reserve shall be paid in the first year of the policy, except the amount that would be paid on term policy written on an ordinary life basis. On industrial life insurance the Act provides that no reserve need be provided during the first year, but that the policy may be pre-dated by one year. In other words the age of the policy at date of issue shall be assumed to be one year greater than the actual age. This relieves a heavy burden from the shoulders of young companies, who in the past have found the actuarial requirements to weigh heavily on their shoulders.

Niagara Brewery is To Make U.S. Beer

It is reported from Bridgeburg that $1,000,000 would be put into a new brewery property on the bank of the Niagara river about a mile below Bridgeburg. Col. J. A. Currie, of Toronto, and Frank Simon, of Buffalo, are the two names mentioned in connection with the proposal.

It has not been revealed whether or not there will be public stock offering in connection with the new plant. Col. Currie has stated, however, that the new brewery would be concerned largely with the manufacture of light American beer, rather than the heavier Canadian beer.

Mr. Simon is a member of a family which long ago was in the brewery business in Buffalo. It is thought that the property contemplated to be used is the so-called Lang farm, near Cosy Dell.

Another Brewery Changes Hands

The purchase by a group of Montreal business men of the St. Lawrence Brewery Company, of Cornwall, Ont., is being discussed. It is understood that J. B. Peloquin, a well-known Montreal business man, has had a large share in the engineering of the transaction.

The St. Lawrence Brewing Company has a brewing plant in Ontario, serving a wide market. It is understood that the purchasing interests will take steps to develop the affairs of the Cornwall company.

An Unusual Opportunity

Progressive Canadian Financial Organization with complete office in Toronto has the opportunity of inviting the services of an Active, Energetic man with capital who is desirous of entering the Bond and Investment Field and who could take charge and build up their Ontario business on a salary and profit sharing basis. One with a knowledge of the Bond business preferred. All letters treated confidentially. Our own staff have been notified of the advertisement. Write Box 5, The Financial Post, Toronto.

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tells you exactly how much

MAPLE LEAF ANTI-FREEZE

you require in the radiator of your car, truck or tractor, to keep it from freezing.

Sold at all leading garages, service and filling stations.

CANADIAN INDUSTRIAL ALCOHOL CO., LIMITED
Distributing Warehouses
Montreal, Toronto, Winnipeg, Vancouver

CANADIAN INDUSTRIAL ALCOHOL COMPANY LIMITED
TRADE MARK

THE OCCIDENTAL FIRE INSURANCE COMPANY

Montreal - - P. Q.

BALANCE SHEET AS AT 31st DECEMBER, 1926

ASSETS

Cash in Bank—		
Montreal	$63,850.25	
Winnipeg	22,153.86	$ 86,004.11
Agency Balances	81,200.32	
Less Accrued Commissions	15,138.71	66,061.61
Sundry Debtors—		147.92
Losses Recoverable:—		
Licensed Companies	11,491.20	
Treaty Companies	9,853.73	21,344.93
Bonds and Debentures at cost		609,992.80
(Market value as allowed by Government ......$636,925.00)		
Loans on Mortgage		73,990.87
Real Estate		11,012.70
Real Estate Agreement for Sale	9,031.74	
Less Unrealized profit reserve	3,286.91	5,744.83
Interest Accrued:—		
Accrued and not due	9,155.15	
Accrued and past due	1,015.88	10,171.03
		$884,470.80

LIABILITIES

Losses under Adjustment and Outstanding		$ 32,781.54
Treaty Reinsurance Co., Balances		
Current Account	$ 1,178.89	
Treaty Reserve	26,336.48	27,515.37
Sundry Creditors		13,302.44
Taxes Accrued		11,817.75
Reserve for Unearned Premiums		178,061.54
Total Liabilities to the Public		$263,478.64
Capital Stock—Paid Up		200,000.00
Surplus—		
Balance at credit 31/12/25	$398,394.99	
Add: Profit for year as per Accounts herewith	22,597.17	420,992.16
		$884,470.80

Private Secretary

Excellently qualified business woman, capable of exceptional usefulness, desires position as private secretary to an able business executive or professional man. Position in Montreal preferred. Write Box 87, The Financial Post, Southam Bldg., Montreal.

Young man of good address, twenty-seven years of age, desires to secure a position where work and initiative will count for advancement.

Have had twelve years' good business training.

At present employed but not satisfied with prospects.

Can furnish best of references.

Would favor position as assistant to an executive.

Box 7, Financial Post, Toronto, Ont.

Canadian Pacific Railway Company

NOTICE TO SHAREHOLDERS

The Forty-sixth Annual General Meeting of the Shareholders of this Company for the election of Directors to take the places of the retiring Directors and for the transaction of business generally, will be held on Wednesday, the fourth day of May next, at the principal office of the Company, at Montreal, at Twelve o'clock noon.

SPECIAL MEETING

The Meeting will be made special for the purpose of considering, and, if approved, of authorizing the issue of the additional Seventy-five Million Dollars Ordinary Capital Stock approved by the Governor-in-Council on November 7th, 1913, and sanctioned by the Shareholders at a Special Meeting held on October 7th, 1914, in such amounts, on such terms and at such times as the Directors shall from time to time decide.

The Common Stock Transfer Books will be closed in Montreal, New York and London at 3 p.m. on Tuesday, the fifth day of April. The Preference Stock Books will be closed in London at the same time.

All books will be re-opened on Thursday, the fifth day of May.

By order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, March 14th, 1927.

Royalty Payment

Owners of Stamped Envelope and Stationery Vending Machines, of record Dec. 31st, 1926, or earlier, will be forwarded their first Rental Distribution Cheques on March 15th, for the quarter ending Feb. 28th, 1927, at a rate exceeding

16.8% per annum

Canadian Royalties Ltd.
12 Wellington St. E.,
Toronto, March 8th, 1927
W. G. CUTLER, Sec.-Treas.

DIVIDEND NOTICE

NO. 78

Imperial Royalties Company announces that the regular Monthly Dividend of one and one-half per cent. (1½%) will be payable on March 31st to shareholders of record of March 25th.

This is Monthly Dividend No. 78, making a total of one hundred and thirty-seven and one-half per cent. (137½%) paid to shareholders since organization in April, 1920.

IMPERIAL ROYALTIES COMPANY

By J. E. Horn

K. H. Kompfe & Co.
Limited
Toronto and London, Ontario

CLEAN SOUND

Kennedy's specialise in castings supplied in all shapes, sizes and quantities. Made to your own patterns. Prompt delivery. Fair prices.

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Representatives at:
COBALT, TORONTO, MONTREAL, HALIFAX, WINNIPEG, AND VANCOUVER.

ABITIBI POWER & PAPER COMPANY LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of 1¾% has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the 1st day of April, 1927, to shareholders of record at the close of business the 19th day of March, 1927.

By Order of the Board,
W. H. SMITH,
Secretary-Treasurer.

The B. Greening Wire Company Limited

Preference Dividend No. 15

Notice is hereby given that a quarterly dividend of one and three-quarters per cent. on the Preferred Shares of the Company has been declared payable April 1, 1927, to shareholders of record March 15, 1927.

F. J. MAW,
Secretary.

Hamilton, Ont., March 14, 1927.

CANADIAN PACIFIC RAILWAY COMPANY

Dividend Notice

At a meeting of the Board of Directors held to-day the following dividends were declared:—

On the Preference Stock, two per cent. for the half-year ended 31st December last;

On the Common Stock, two and one-half per cent. for the quarter ended 31st December last, from railway revenues and Special Income;

Both dividends are payable 1st April next to Stockholders of record at three p.m. on 1st March next.

By Order of the Board,
ERNEST ALEXANDER,
Secretary.

Montreal, 14th February, 1927.

UNDER THE MANAGEMENT OF
POWER CORPORATION OF CANADA
LIMITED

Ottawa-Montreal Power Company, Limited

Preferred Dividend No. 9

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of OTTAWA-MONTREAL POWER COMPANY LIMITED, for the quarter ending March 31st, 1927, payable April 15th, 1927, to shareholders of record March 31st, 1927.

By order of the Board,
L. C. HASKELL, Secretary.

February 25th, 1927.

Woods Manufacturing Company, Limited

PREFERRED STOCK DIVIDEND NOTICE

The regular quarterly Dividend of One and Three-Quarters (1¾%) per cent. on the PREFERRED STOCK of WOODS MANUFACTURING COMPANY, LIMITED, for the quarter ending March 31st, 1927, has been declared payable April 1st, 1927, to Shareholders of record March 21st, 1927.

By Order of the Board.
JOHN T. F. KEENE,
Secretary-Treasurer.

Montreal, February 11th, 1927.

Canadian Locomotive Company, Limited

Dividend No. 61

Notice is hereby given that quarterly dividend of one and three-quarters per cent. on the Preferred Stock was declared payable April 1, 1927, to shareholders of record March 20, 1927.

By Order of the Board.
G. W. DALY,
Secretary.

Kingston, Ont., February 17, 1927.

Dominion Textile

Company Limited

NOTICE OF DIVIDEND

A Dividend of One Dollar and Twenty-Five Cents ($1.25) per share on the Common Stock of DOMINION TEXTILE COMPANY, Limited, has been declared for the quarter ending March 31st, 1927, payable 1st April, to shareholders of record March 15th.

By order of the Board,
JAS. H. WEBB,
Secretary-Treasurer.

Montreal, January 24th, 1927.

WANTED

Broker handle treasury issue fully developed high grade British Columbia free-milling gold company. Good contract responsible party. For particulars apply Post-Office Drawer 339, Vancouver, B.C.

The Dominion Bank

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 31st March, 1927, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Friday, the 1st day of April, 1927, to shareholders of record of the 19th March, 1927.

By order of the Board.
C. A. BOGERT,
General Manager.

24th February, 1927.

SALE OF TIMBER

TENDERS WILL BE RECEIVED by the undersigned up to and including Friday, April 15th, 1927, for the right to cut the Pine Timber on Townships 4-C, 3-D, 4-D and 5-D in the Mississaga Forest Reserve, District of Algoma.

FURTHER PARTICULARS may be obtained upon application to the undersigned, or to Mr. A. H. Huckson, Crown Timber Agent, Sault Ste. Marie, Ontario.

WILLIAM FINLAYSON,
Minister of Lands and Forests.

N.B.—No unauthorized publication of this Notice will be paid for.

Toronto—Feb. 7th, 1927.

PETROLEUM ROYALTIES Company

Monthly Dividend Notice

The regular monthly dividend of 1% and bonuses of ⅛ of 1% will be paid on the Guaranteed First Participating 12% Preferred Shares of Petroleum Royalties on April 1st to Shareholders of record March 25th.

This gives total dividend distribution for the month of March of 1⅛% on the Preferred Shares.

J. RUFFER, Secretary.
Mid-Continent Bond Corporation,
331, Bay Street,
Toronto 2, Canada

Provincial Paper Mills Limited

Notice is hereby given that Dividends have been declared by PROVINCIAL PAPER MILLS LIMITED, as follows:

Regular Quarterly Dividend 1¾% on Preferred Stock;

Regular Quarterly Dividend 1½% on Common Stock.

All payable April 1st, 1927, to shareholders of record as at close of business March 15th, 1927.

(Signed) W. S. BARBER,
Secretary.

The Trinidad Electric Company, Ltd.

Notice is hereby given that a dividend of 1¼% for the quarter ending March 31st, 1927, on the Capital Stock of the Company has been declared.

Warrants will be issued and mailed to the address of each Shareholder and are payable at the Royal Bank of Canada, Halifax, N.S., on and after the 10th of April, 1927.

The transfer books of the Company will be closed from the 1st to the 10th of April, 1927, both days inclusive.

By order of the Board.
F. B. OXLEY,
Secretary.

MONTREAL TRAMWAYS COMPANY

ANNUAL GENERAL MEETING

Notice is hereby given that the annual general meeting of the shareholders of the Montreal Tramways Company will be held at the Company's offices, Tramways Building, 78 Craig Street West, Montreal, at 12 o'clock noon, on Tuesday the 29th day of March, 1927, for the reception of the Report for the fiscal year ended December 31st, 1926, election of directors, and the transaction of such other business as may legally come before said meeting.

The transfer books will be closed from the 9th to the 28th day of March, both days inclusive.

By Order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

February 23rd, 1927.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given that a Dividend of Two and one-half per cent., being at the rate of Ten per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st April, 1927,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By order of the Board,
WALTER GILLESPIE,
Manager.

The Toronto General Trusts Corporation

DIVIDEND NO. 123.

NOTICE is hereby given that a dividend of three per cent. (3%), has been declared upon the paid-up capital stock of this Corporation for the quarter ending March 31st, 1927, being at the rate of

TWELVE PER CENT. PER ANNUM.

and that the same will be payable on and after Friday, the first day of April, 1927. The Transfer Books of the Corporation will be closed from Thursday, the 17th day of March, until Thursday, the 31st day of March, both days inclusive.

By order of the Board of Directors,
W. G. WATSON,
General Manager.

Toronto, March 1st, 1927.

Canadian Mining News
THE FINANCIAL POST
Vol. XXI. 10c. a Copy; $5.00 a Year PUBLICATION OFFICE: TORONTO, MARCH 18, 1927 Member of Audit Bureau of Circulations No. 11

NEW RECORDS IN LONG FREIGHTING BEING CREATED

Supplies and Equipment Going Into Many Far Away Mines

TONNAGE VERY HEAVY

Hauls to Red, Woman and Narrow Lakes Are Well Over the 100 Miles

The present winter is seeing some new records set up for heavy mine freighting into distant camps. The work done last winter in hauling in equipment and supplies to Noranada mines in N.W. Quebec, is hardly to be compared with what has gone on during the past winter, into Red Lake, Woman Lake, Narrow Lake, Central Manitoba and Flin Flon in Northern Manitoba.

Hundreds of tons of machinery, as well as supplies to last over the summer, have been hauled into these camps by team, tractor and snow motor. The haul to Red, Woman and Narrow Lake is well over 100 miles; to Flin Flon an even hundred, while the winter road into Central Manitoba is 45 miles.

Central Manitoba mines had perhaps the greatest task. It took in the equipment for its 250 ton mill as well as power equipment, including motors and power lines, and supplies for the large staff it will employ during the year. This has all been completed. But other companies, Eldorado, San Antonio and others, are taking in supplies and it may be that Selkirk will also get going.

Over this same road supplies are going in to the Gem Lake Gold Mining Company, on Slate Lake, a branch road 23 miles long, having been cut through the bush from this the main road to the Gem Lake camp.

All supplies for the Central Manitoba mine, the Eldorado, the Gem Lake camp, the Cryderman camp, Darling's camp, on Blair and McConnell's property at Stormy Lake, and all properties in this district, are moved via Great Falls and the winter road, as well as supplies for Rice Lake and the English Brook district, the main camps of which are the San Antonio, the English Brook Gold Mining and the Selkirk Gold Mining Company, Limited.

There are smaller quantities of supplies being shipped in to many other properties, on which work will be done during the coming summer, owing to the fact that freighting over the summer routes is laborious and expensive, owing to the number of times the freight must be unloaded and carried over portages.

A complete mining plant has been shipped to the Eldorado camp, and it is intended to sink a shaft on this property to a depth of 500 feet, involving an expenditure of more than $50,000.

The supplies going into Red Lake are being handled by stages. All the freight has reached Pine Ridge for Howey Gold Mines and some of it is already on the property.

The Narrow, Woman and Red Lake camps are going to be very active this summer.

CANADIAN HEADS LONDON INSTITUTE

R. E. Palmer Got First Experience in Early Days of Rossland Camp

Robert E. Palmer, who succeeds Sir Thos. Halland as president of the Institute of Mining and Metallurgy, in London, is a Canadian, having been born in Prince Edward Island. His father was Chief Justice of the province. In 1883 he entered McGill University, and graduated in civil engineering, and went to Vancouver, where he engaged in professional work. He went to Rossland as chief of the engineering staff and later superintendent of the Le Roi mine, which was under W. A. Carlyle's management and when Mr. Carlyle became manager of the Rio Tinto mine, in 1899, Mr. Palmer joined him to take charge of the underground work. Mr. Palmer reached Spain in September, 1900. He later became assistant manager and in 1913 the Rio Tinto company moved him to the head office in London, as consulting engineer to the company. This post he still retains.

New Quebec Companies

New Quebec mining companies include Miller-Boischatel Mines, Limited (no personal liability), with a capital of $3,000,000, the biggest incorporation for some time. The capital stock is divided into 3,000,000 shares of $1 each, and the head office will be in Montreal. Another incorporation is Acadia Exploration Company (no personal liability), with a capital of half a million dollars, with head office in Quebec.

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Opportunity to See Mining Industry of Canada Unparalleled

There is little doubt that every one will get his money's worth. The opportunity to see the mining industries of this rapidly growing country is unparalleled, as is also the privilege of meeting and knowing mining engineers from all over the world. Mining men in the United States will no doubt attend in large numbers.

The above assertion is made by Engineering and Mining Journal, New York, in discussing the tours of the British Empire Mining Congress to be held in Canada in August next.

ONTARIO DENIES RECOGNITION TO ELECTRIC SURVEY

So Far This Method of Exploration is Not Accepted as Assessment Work

Ontario Department of Mines is lagging behind the province of Quebec in acknowledging the value of the electrical survey in the exploration for minerals.

Quebec Department of Mines has given recognition to the electrical survey inasmuch as it has announced that the electrical survey is accepted in lieu of the usual assessment work on a man a day basis.

Ontario Department of Mines has just revised and consolidated its mining act, but gives no recognition to electrical survey in the conduct of assessment work.

Diamond drilling is accepted in Ontario as part of assessment work. So far, the Ontario Department of Mines officials are not sold on the idea that electrical survey of a property is to be placed on the same basis as diamond drilling, surface trenching and stripping.

Surface trenching and stripping of a property, may reveal nothing. Properties are numerous on which nothing has been found on surface, yet rich mines have been found. The Lake Shore is an instance on which diamond drilling may be conducted and nothing found yet rich mines may result. Lake Shore cut its rich No. 2 vein at 200 ft. and got nothing, yet the richest of gold ore was in close proximity to the drill hole.

The electrical survey is new to Ontario, yet the Ontario Government employed an electrical survey apparatus last summer to make a study of Red Lake. The Quebec Department of Mines has yet to employ an electrical survey apparatus, but it gives it recognition and shows appreciation of its value in mineral exploration, by accepting it as an offset to certain assessment work.

In Ontario diamond drilling offsets so much assessment work in seeking a patent.

The attitude of the Ontario Department of Mines may retard the fullest use of electrical prospecting as a means of finding ore bodies, and this at a time when base metal exploration is assuming a dominant attitude.

Mine Products Lead Grain in Rail Tonnage

Mine product shipments provided a greater tonnage for Canadian railways from January 1 to March 5 than grain and grain products. In the same period last year, grain led, but there has been a material increase in both with the mines showing much the larger.

The figures:

	Cars 1927	Cars 1926
Grain and grain products	76,158	67,034
Coal	60,067	46,347
Coke	6,367	4,913
Ore	12,404	12,990
Total	78,838	64,250

Mahood Interest in Extenuate Are Sold

John P. Kendall & Co., Toronto, have exercised their option on the entire interests and holdings of Grant Mahood in the Extenuate Gold Mines on Premier Mt. Portland Canal Area, B.C. The control and management of the affairs of the company will now be in the hands of the Kendall Company.

Mr. Kendall is at present on his way to British Columbia where he will meet the engineer of the company and appoint a resident managing director who will superintend operation at the Extenuate Mines.

Slow Mail Service Out of Rouyn Camp

Complaints are made about the mail service out of Rouyn. Mail from Rouyn to New York takes twice as long as mail going New York to Rouyn.

Important negotiations and operations are going on almost daily and it is reported that a great deal of inconvenience is being experienced. Naturally the suspicion is that the trouble is at the Rouyn distribution point.

SPLIT OF HARVIE MINING SHARES IS NOW PENDING

Details Are Not Yet Ready But Are Expected Soon

GOOD MINING NEWS

Developments on Property Continue Quite Spectacular—Two Big Showings

Details of the plans of Harvie-Smith & Co. in regard the Harvie-Archean companies are not yet available.

Some premature announcements have been made, but these have not revealed the details for the simple reason that they are not ready. They have not been settled.

It is doubtful if any financial development connected with mining since the Noranda capital reorganization has been awaited with more interest largely because of the persistent belief that the general public may have a chance to participate.

This will probably be decided in the course of next week.

Rumour of the stock split for Harvie shareholders has been current, but no confirmation could be obtained. This would, however, seem reasonable in view of the substantial increase in the company's assets.

May List the Shares

If the stock is split it is presumed that the new shares will be listed and this will be welcomed by mining brokers who are eager to see another high grade mining issue on the market. Archean Co. is capitalized at 200,000 shares, $10 par and sold to the public at that price. Harvie Mining, capital 200,000, no par, was first sold at $5 and the last sale reported was at $20.

Developments Good

Developments at the property have continued spectacular, though news has been slow in coming out because of the rush which the staff on the property has faced in getting supplies in before the spring break-up.

On the No. 1 operation, on the Archean, not far from the Harvie boundary, the prospecting drift on the 45-ft. level has been pushed in 100 feet, and from 26 feet on was in ore. At the point where the drift came opposite a deep surface trench, a crosscut was started east and on last report was 47 ft. in and had 20 ft. to go to get under the ore on surface. Two good lenses of ore, one 3 ft and a second 6 ft. were cut. The ore is good grade. It would seem that there is a series of parallel shoots of chalcopyrite which may join up at depth. Work on sinking the shaft to 100 ft. has started.

Tunnel Cuts Ore

In the adit or tunnel on No. 2 operation, the work is in 200 feet and has intersected the first showing on surface at a good depth below the surface. The ore is excellent.

Both workings are continuing and hold great promise.

Meanwhile, work on the good zinc showing found on another part of the property has been started.

Will Dome Meeting Cut the Dividend?

Dome's annual meeting will be held in Toronto April 5. The big question which everyone expects will be discussed will be that of reducing the dividend from $2 to $1 per share. The yield at the present price, $8.75, with the stock on a $2 basis, is 23 per cent, on $1 basis it would be 11.4 per cent.

Eldorada's New Plant Reaches the Property

Eldorada Mines, whose property is in the Central Manitoba area, announces that its new electric mining plant reached the property on Saturday last, along with the summer supplies. The power line from Central Manitoba mines to Eldorado property has been cut and burned and the poles for the line are now ready. In addition all the lumbering for the shaft is ready.

Meanwhile the company has had good success in financing and has sufficient funds assured to pay for the new plant and sink the shaft 500 feet, which is the first objective and which will be pushed ahead as rapidly as possible.

OPEN UP THE GROZELLE

Operations have been launched on the Grozelle property in Kirkland Lake camp. Many have contended that the western extension of the main break of the camp will be found to strike southeast into this property. J. W. Morrison, who opened up the Lake Shore is the engineer in charge.

BUFFALO QUOTATIONS

Bonds	Bid	Asked
Bfo-Ft. Erie Bdge 7s '55	107½	108½
Do. 8s '45	106½	108
Buff Gen Elec 1st 5s '39	104	...
Do pref 5s '39	104	...
Bfo N & E Pow 5s '30	99	100¾
Lockport, L H & P 5½ '54	103	...
Niag Lock & Ont. 1st '55	100	101
Do 1st & con 6s 1950	105	106
STOCKS		
Niagara Falls Pow pf	28	28¾
Niag Lock & Ont. pf	112	114

Base Metal Exploration Over Wide Area in Northern Ontario

Mining Industry in Flourishing Condition Throughout the Whole North

TIN FIND IS DOUBTFUL

Assays in London Revealed Tin Values—Others Have Not So Far

By D. E. CUSHING,
Mining Editor, The Financial Post.

COBALT.—Traveling through the mines one is struck by the difference in the mining position and the market position of the various stocks. In Toronto things are in the doldrums. The public is not interested. In the mining camps everyone is on his toes. Things are booming; development and exploration is speeding ahead and with a good deal of encouragement. All the camps are looking well. It looks as if the spring breakup will be early this year and everyone is making plans accordingly.

Prospecting and exploration is spreading out extensively. The fact is gradually dawning that the Ontario granites hold just as great promise as do those of Quebec, with the result that there is already an intensified base metal search going on and this will be speeded up greatly in the spring.

There are several points of attack. One is that part of Ontario lying directly west of the Rouyn Quebec copper area. The zone of mineralization over which copper values, in most cases commercial, have been found, is extending both in width and length and now reaches over several townships to close proximity of the T. and N. O. railway mainline. The most spectacular showing of the belt is the Potter-Doal, in Munro Township. Very high copper values have been secured on this group and a shipment of high grade copper is about ready to go to the smelter.

Rather exciting is the report of a tin discovery along a granite ridge in Northwest Bernhardt Township, on the Maisonville Township boundary. Ontario Gold Veins, Ltd., a London, Eng., operation, that has been operating on the section for a couple of years, recently sent some samples to England and the surprising news was returned that these samples showed over one per cent. in tin. It is now certain as yet that there is tin. Three other assays ran, one in Toronto, one in Montreal and one in Denver, have not revealed the presence of tin. It may have been in the sampling of the ore face that the tin was lost in the last three samples. Careful and systematic sampling will reveal this.

Kamiskotia, as The Financial Post pointed out last week, is looking decidedly important as is also the Boston Creek section and the ground along this granite ridge to the west as far as Elk Lake. Amity Copper is sinking a shaft at Boston Creek station, while to the northeast Alderson and Mackay have taken up a group near Long Lake.

The most advanced and important development is at Chelmsford, where Bunker Hill Sullivan people have proven large deposits of zinc-lead ore. So far the area has been blanketed by private interests and prices of claims are held at such a level that no company has had the hardihood to pay the price and make a public offering, with the result that so far the public has not had a chance to participate.

In the Soo district some important zinc-silver finds are reported and this section looks quite attractive.

Development Favorable on Vipond Property

Vipond Consolidated in February milled 7,349 tons of ore. Bullion to the value of $60,100.00 was shipped during the month.

Developments in the southern part of the property continued favorable.

Is Complexion of Ontario's Mining Industry Changing?

Will the complexion of the whole mining industry in Ontario be completely changed in the next five years?

While in the north last week, the writer met engineers who voiced such an opinion.

With the exception of nickel-copper production at Sudbury, Ontario has been chiefly a precious metal producer. Silver held the centre of the stage for many years, only to be overshadowed by the large increase in the gold output.

Now interest is being centred on the production of base metals and the belief is expressed by some engineers that in five years' time the production of copper and zinc, with perhaps some lead, will overshadow the precious metal mines.

Towagamac Cash Assets Will Total $813,248

Right to Subscribe to New Shares at $3.50 Per Share Expired During Week—Mine Equipped With New Plant Will Push Development

Right of Towagamac shareholders to take up new shares at $3.50 per share has been extended to March 30 this week. Holders of shares can take up one share of new for each six held or may dispose of warrants. Because of delay in some shareholders getting notice, the time was advanced 15 days. The directors will take up the amount left, after the shareholders wants are taken care of, at the same price. This will give Towagamac cash assets of $813,248.

The offering is the balance of the capitalization of 1,000,000 shares. The amount outstanding is 850,010 and the recent offering was 149,990 shares, which at $3.50 would put $524,965 in the treasury. At the time the offering was made, Jan. 1, the company had just received a $90,000 payment from N. A. Timmins, Inc., which brought the cash assets up to $288,283.

Much Ore Blocked Out

The interest which the company sold to Mr. Timmins is the Alderson Mackay group of 746 acres in Boischatel, on which 225,000 tons of commercial ore has been blocked out and which seems to give promise of big things. Besides retaining a 35 per cent. interest in this group, Towagamac company has other substantial interests.

Since the first of the year, refitting the camps for actual mine operation has been going on. Electric power is now available and a new 8-drill electric compressor has been installed. The new electric hoist, capable of going to 2,000 feet, is soon to be delivered.

Open Deeper Levels

The main shaft is to be pushed down as quickly as possible to 500 feet and at the same time lateral work will be pushed on the 125,250 and 375 levels.

About 1,200 feet of short pilot holes drilled from the 125-foot level ahead of and at right angles to the ore body proved it to extend for a total length of at least 150 feet, with excellent copper and some gold and silver values. It also disclosed another section of 21 feet of ore of good grade, either lying parallel to the main ore body or forming part of it. In the latter case the width of ore, now an average of 34 feet, will be over 50 feet. It is planned to cross-cut the ore body every 50 feet from now on. With an adequate supply of electric power and compressed air, the management expects to place additional ore in sight at a rapid rate.

Explore by Drills

Further diamond drilling has been plotted with the idea of having the holes cut the ore at 600 and 800 feet vertical. So far the deepest hole cut it at 260 feet vertical depth, disclosing undiminished width and higher values. Following this, the eastern extension of the ore will be systematically explored by regularly spaced fans of holes, so as to give as much guidance as possible to future underground developments. Simultaneously with this work, No. 1 and 2 ore bodies, lying to the south of the main ore zone, No. 3, will be explored by drilling. Although surface trenching and sampling gave high copper assays, no serious prospecting has so far been done on them, all energies being concentrated on the development of No. 3. Other magnetic areas found on the property by means of the dip needle are now being explored.

WAS OIL WELL IN MANITOBA SALTED?

Federal Officials Are Doubtful of Reported Strike at Grand View

Was the recent oil find at Grandview, Man., which was greeted with a blare of trumpets fictitious?

The government has notified the Irro Oil & Gas Co., Ltd., that its well at Grandview, Man., must either be cleared or the lease must be given up.

This step has been taken in accordance with recommendations to the mines branch, department of the interior, by C. C. Ross, supervisory engineer, after reading the report of William Calder, who inspected the well to probe the salting charge.

In his letter to the department Mr. Ross pointed out that conditions at the well made the reported oil strike look very doubtful.

Although government engineers do not directly charge that the well was salted, they do not believe that the oil samples came from the level at which the company claimed it was obtained. The absence of gas is cited as a proof of this.

The action of the department is justified, says Calgary Oil Examiner, on account of infringements of departmental regulations such as failure to notify the Calgary office of drilling activity or striking oil.

The company has shipped drilling equipment from Miles City, Mont., to Grandview apparently for the purpose of resuming operations at the well.

New Vein Cut on the Keeley Property

During February Keeley Silver mines produced 124,822 ounces of silver and 10,276 pounds of cobalt.

A new vein was encountered on the 8th level, 420 ft. south of the 16-28 system. This vein looks promising.

At the end of the month winze No. 1162 was 17 ft. below the 11th level. Silver has occurred in each round, the bottom showing excellent ore, 6 in. wide.

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ARGONAUT RUMORS THICK AND BULLISH GOING THE ROUNDS

Mine Said to be Looking Well—New Levels to be Opened

Bullish rumors are going the rounds on Argonaut. Big things are being predicted. Developments on the property have been quite favorable and better things are expected.

Argonaut is pushing its shaft down to open two new levels. It will be a short time before this is accomplished, but it is understood that the plan is to cut the zone where ore bodies have been located by drilling on both levels at the same time. If this comes out as expected, it will allow for quite a bullish announcement.

Meanwhile there are rumors going the rounds about the weakness in Laval shares. It is stated that this is due to the marketing of the bulk of the shares which Argonaut has been holding. Argonaut had 1,400,000 shares of Laval. Some of these were marketed some time ago and it is said that the balance is now being placed. These shares have been regarded as representing a covering for the Argonaut bond issue of $500,000 and some are assuming that the funds from the marketing of Laval may be used to retire the bonds just about the time the new levels are opened up.

FIND OIL STRUCTURE BELOW MOOSE JAW

Prudential Oil Will Drill Close to United States Border

Prudential Oil Co., Moose Jaw, will drill for oil in Saskatchewan, some 60 miles south of Moose Jaw and not far from the U. S. border. A very large acreage has been taken up. The company's geologist reports two well-defined structures, the general break passing west of the town of Verwood. Showings of oil and gas have been obtained in a water well drilled near Readlyn, and another 4 miles southwest, as well as in several other water wells surrounding the company's holdings. The outcrops of glacial drift makes it impossible to determine with any degree of accuracy what underlying conditions are, but the numerous outcrops, a distinctive sandstone overlain by small lignite seams, make it possible to establish definitely the structural conditions in the area. These outcrops indicate two distinctive structures, one running northwest, near Verwood and extending to Readlyn, and a western one which parallels the first, passing to east of Willows and, probably the east-west break joins the two.

BOISCHATEL SURVEY

Boischatel Mines is planning an electrical survey of its south group, adjoining Towagamac on the Southeast as soon as the survey of its north group is completed. This latter is progressing favorably. It is likely that the plan on the south group will be to pick up by the survey the extension of the ore zone from the Towagamac.

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J. FRANK LAMBERT.

A new mining brokerage house, Lambert & Co., C. P. R. building, has been opened. J. Frank Lambert, head of the firm, was recently elected to membership on Standard Stock & Mining Exchange and has had many years experience in Northern Ontario.

BIG INTERESTS ON NEW OIL STRUCTURE

Ghost River Anticline in Alberta Will be Tested This Summer

This summer will see the test of a promising structure 14 miles north of Morley by Ghost River Oils Ltd.

Geological conditions on the Ghost River anticline are similar to those in the Turner Valley and Moose Mountain fields, as it is on the same fold as these two other foothills structures. The new field offers comparatively shallow drilling—from 800 to 1,000 feet less than Turner Valley. It is estimated that the limestone should be reached between 2,500 and 2,700 feet.

Dorsey Hager, American geologist, after examining the field, approved the report of Russell V. Johnson, the company's geologist, who discovered and mapped the structure.

Ghost River No. 1 well will be situated in the south half, southeast quarter 6-28-6-w5. Union Oil will drill on a structure belonging to Canadian Western Natural Gas, Light, Heat and Power Co., Ltd., ten miles to the east of the Ghost River in the Wild Cat Hills, where the drilling will be deeper.

The Union, under its contract with the gas company, has secured a large block of acreage in the district including leases northeast of the Ghost River structure extending up to township 32.

The Hudson's Bay-Marland Oil Co. owns sections 8-26-6-w5 and 8-27-6-w5 on the Ghost River structure. Its geologists have been over the ground and have confirmed the presence of the anticline.

The Ghost River structure is shown as being in the area of gas structures in a map compiled by S. E. Slipper covering all the gas fields of Alberta. Conditions are just as favorable for the accumulation of large bodies of oil as for containing gas. The site for the first well was chosen as being one of the best on the entire structure, which covers over 8,000 acres. The company owns 640 acres.

The entire structure was blanketed last year by G. E. Burdick, of the Vancouver Drydock & Salvage Co., who has the fiscal agency for the company for British Columbia. The 640 acres belonging to the Ghost River were obtained from Mr. Burdick.

McIntyre Reacts

The announcement that the McIntyre's new 4,000 ft. shaft had been completed was marked by a drop of $1 per share this week.

RIBAGO DRILL HOLE

Ribago shares are easy around 50 cents. News of the first diamond drill hole has been awaited. The last advice is that the hole was in 280 ft. on a 35 degree incline. It should cut the best discovery on the property at any time now, in fact, it is hard to see how it can miss it.

Astoria Rouyn Mines
Limited
Spring development work on the claims of this Company in the Rouyn District of Quebec—particularly on Groups No. 4 and 6—will commence shortly.
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EXPERT OIL STAFF OF DOMINION MAY SOON BE WRECKED

As With Ontario Geological Staff, Private Interests May Take Them

A couple of years ago the geological staff of Ontario Department of Mines was sadly wrecked when private enterprise stepped in and took away two very efficient geologists, Messrs. Knight and Hopkins.

Now the Federal Department faces the same thing in regard to the oil experts it has in the Alberta field.

In both cases the salary paid stood out as being far from commensurate with the position. Private capital outbid the Ontario Government by good margin and still got the men cheap. The same thing is going to happen in Alberta.

Western Oil Examiner says:

"A situation which threatens to interfere with departmental supervision during the coming summer has arisen in the local office of the mines branch over the failure of the government to increase salaries of experts engaged in inspecting oil operations throughout the west.

"Oil companies, realizing the valuable training which the government service affords, have made tempting offers to members of the staff of C. C. Ross, supervisory engineer, with the result that present salaries are far below what these engineers could earn elsewhere. Hon. Charles Stewart, minister of the interior, in an interview in Ottawa this week admitted that he cannot hope to retain these men at their present salaries. The civil service commission has repeatedly refused to make the necessary adjustments.

"Unless the commission changes its attitude the oil industry will lose the services of these experts in a public way. For the past few years Mr. Ross has been building up an efficient staff and an organization that is now in shape to deal with the large development programme planned for this year, when fully a hundred wells will be under way. Oil operators speak very favorably of the service they get at the government office and deprecate any inaction that may lead to the loss of Mr. Ross' assistants, as they feel that the industry would suffer accordingly."

NORANDA AT NEW HIGH

Noranda shares sold up to 23.90 per share this week. This is a new high. No news has been forthcoming, in fact, it would seem that at least two or three months must expire before there is a chance of any good news. This will come when the new shaft is completely equipped and sinking operations open up some new levels.

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Says Willow Creek Area Looks Like Oil Field

The chief requisites of an oil field are to be found in the area of the Willow Creek field in which the Bryant Oil Co. will drill, Owen Bryant, president of the company, asserts says Calgary Oil Examiner.

"The four requisites generally accepted as being necessary for the presence of an oil field," he writes, "are as follows.

"1. The presence of a body of liquid oil. This can be inferred with certainty, I believe, from the presence of wet gas escaping from the crest of the structure, and from the proved presence of oil in the Dingman (Turner Valley) anticline, and the relation of the two anticlines to each other and to the basin which was undoubtedly the source of the oil in the Dingman anticline. The same forces which raised oil up into the Dingman fold would have been equally effective in raising oil into the Willow Creek structure.

"2. The presence of a porous formation within reach of the drill which can form a reservoir and permit the migration of the oil and its collection in commercial quantities. The presence of a porous sand could be inferred from a study of the geology of the region, but is proved by the rocks faulted up and exposed on the surface. There must be three or four oil sands within reach of the drill.

"3. The presence of a structure which would serve as a trap to collect the oil. A study of the surface reveals the presence of a structure which is perfect for this purpose.

"4. The presence of a sufficient cover of impervious strata over the oil reservoir to ensure its retention and prevent its being wasted. The Benton shales are perfect for this purpose. From one to two thousand feet of them occur over the first sand of the Dakota on the east limb, almost everywhere. That the cover is sufficient to retain the oil is practically proved by the presence of the gas seepages, since, if the cover were deficient, the gas would have been exhausted before the oil.

"As a corollary of the four conditions above, two other conditions are necessary for the formation of an oil field of commercial importance; in the first place, a sufficient area from which oil could have been collected without visible barriers to the movement of oil through it, and in the second place, for an anticlinal structure to serve as a trap for the oil, it is necessary that water be present to raise the oil up out of the collecting basin and force it to collect in the anticline."

NEW BARRY MANAGER

The Mining Editor of The Financial Post was at the Barry Hollinger property when Richard Trelour, the new manager arrived to assume his new duties on Saturday.

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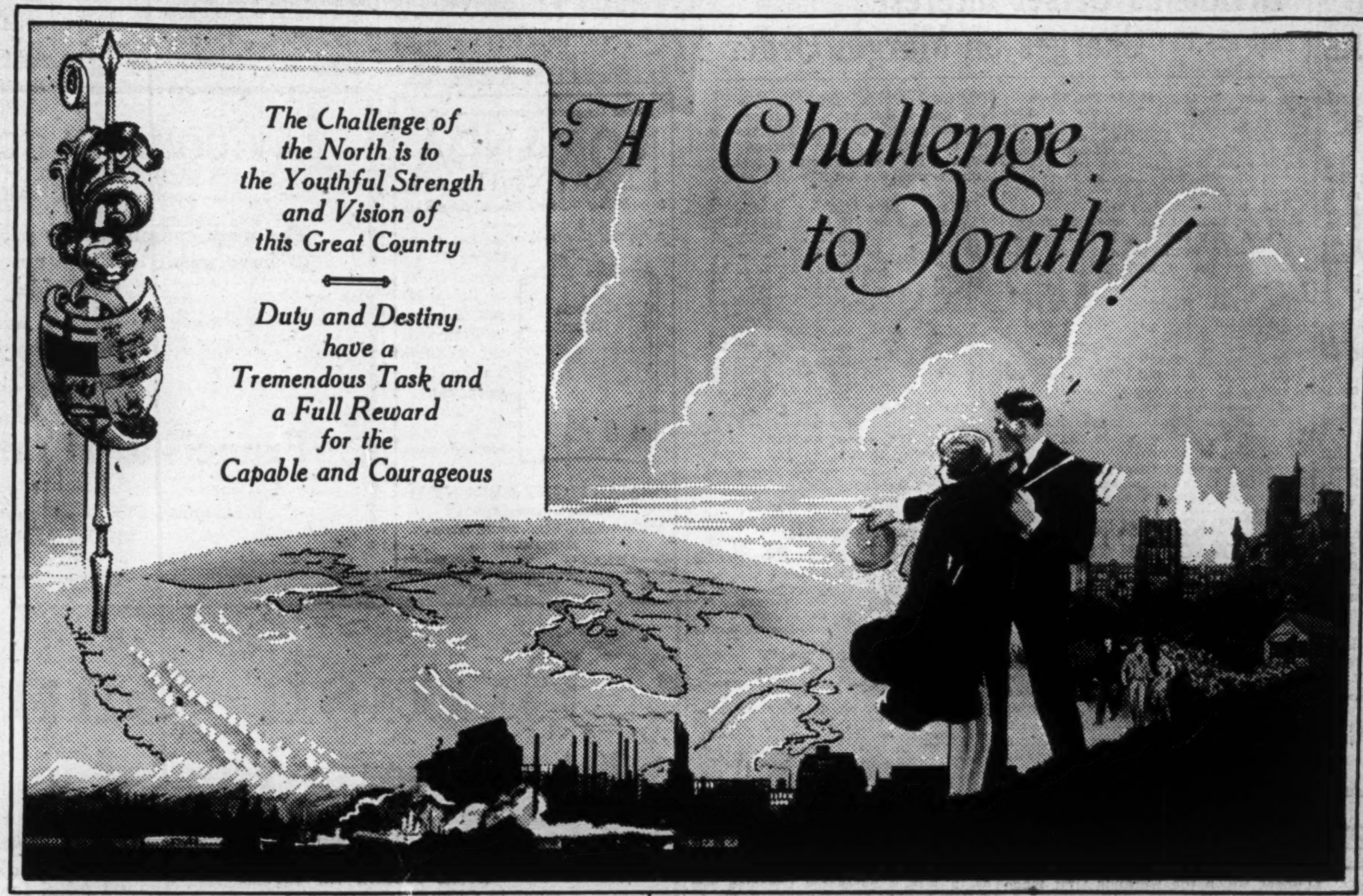


THE three great central provinces of Canada—Ontario, Quebec and Manitoba—have come to the realization that they possess, severally and collectively, areas of probably greater potential mineral richness than any others known in the world. This conviction is not a matter of patriotic enthusiasm engendered only by faith and hope, but a supportable and demonstrable fact, based on the actual production of mineral wealth from a small section of the Pre-Cambrian rock shield which forms a preponderant part of each province.

Until Ontario's dramatic discovery of her undreamed of riches of nickel silver, and gold, the future of Canada appeared to be wrapped up in the growing or living products of the soil, the forest and the waters. Upon four great basic industries—agriculture, lumbering, fisheries and furs—the first foundation stones of the national structure were set.

Only since the Spartan effort of the last twenty years have we grasped the fundamental importance of these great stretches of rock; before that time the rock formations were regarded as barren, waste lands, enormous blanks on the map, a terrific burden of rock to be carried by the East and the West. To-day we are realizing, at least to an appreciable extent, the nation-building opportunity that is now partially laid open or still lies locked within these mineral-saturated rock formations.

Up to date, and all within two brief decades, Ontario alone has taken from her mineral-bearing rocks approximately a billion dollars of new "found" wealth. And this prosperity-laden stream, great as it may appear, is regarded by the soundest financial and technical authorities as only a branch of that great St. Lawrence of metals that one day will flow from these three, and probably other provinces, fortunate in the possession of vast out-croppings of the same rock in which the minerals of Central Canada occur.

The Earliest Discovery

Canada has known spectacular and sporadic mining discovery over a long period of years. In fact, a lead-silver mine on the shores of Lake Temiskaming was worked by the French and Jesuits in the 17th century, while a few miles away a Cobalt-of-the-years-to-come slumbered in the silent hills. Hudson Bay factors frequently received specimens of precious ores from the nomadic Indians. Silver, gold, lead, copper and zinc were found in many places and, on occasion, worked in advance of any adequate and experienced mining practice. The "rushes" of the Yukon produced not only a tremendous reward and a mining literature rich in romance, but a tragic aftermath of doubt and stagnation. The then-revealed character of mining in Canada gave no evidence of the stable industry that was to grow in the future.

First, important nickel discoveries were made at Sudbury and for thirty years these vast deposits of metal, always an industrial balance of power and now highly rated in an age of steel alloys, have been producing 85 per cent. of the world's supply. This was the first metal industry to be founded and firmly established in Ontario.

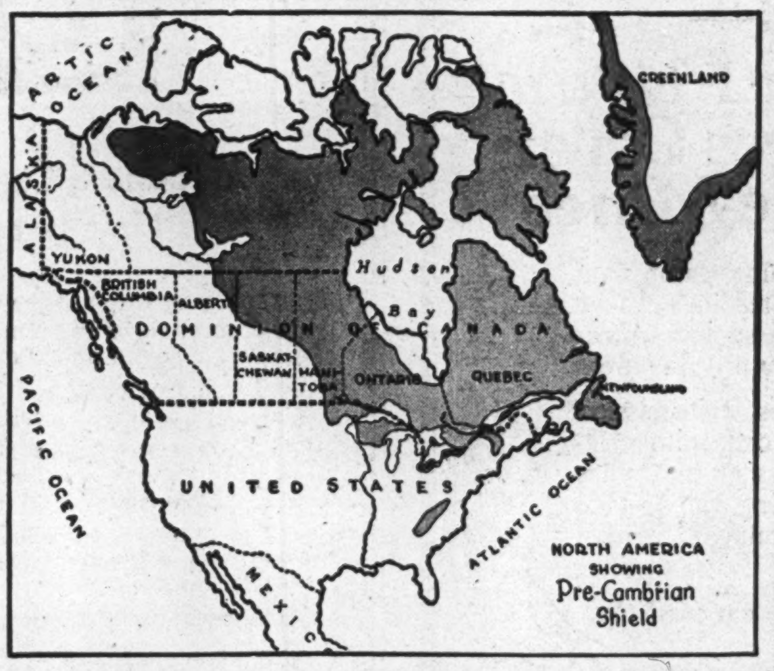
Then came the discovery of Cobalt, as though to herald the dawn of Canada's century. The richest silver deposits of modern times, rivalling the fabled mines of the Incas, was uncovered when Ontario, with serious misgivings, drove its first railway north in an effort to populate the fertile clay areas that overlie in some sections the mineral-bearing rocks.

First Glimpse of Future

Cobalt drew mining operators and adventurers from the far corners of the earth. Overnight it became a city of feverish mining activity. With all its financial excesses and unskilled mining effort, Cobalt was the first clear window through which the central provinces glimpsed a mineral future.

To attempt a description of the years that have followed would require an entire book. They have been years of mighty achievement, Canada taking the position of third among the world's producers of gold, and this in less than fifteen years from an area which twenty-five years ago was regarded as barren waste — a bleak barrier between East and West.

In the past three years discoveries of copper-gold ore in Quebec have been made on a scale which is attracting the attention of the entire world, and on a great front, stretching roughly from Winnipeg to Quebec, there is a mobilization of forces — Capital and Science — Brain and Brawn — on a scale probably unprecedented in the history of world mining.



Sketch map of North America showing the Pre-Cambrian rock formation of the continent. Canada possesses 97 per cent. of this mineral-bearing area of 200,000 square miles of the Dominion. Out of the 3 per cent. of Pre-Cambrian in the United States, an enormous mineral wealth in iron, copper and other metals has been taken, and upon these is founded the remarkable industrial growth of the United States.

Look carefully at the map sketch showing the extent of the pre-Cambrian formation and try to grasp the magnitude of the task — and the opportunity! The exploration and development of this huge shield will call for a century of continuous and expanding effort, and in the process the entire economic outlook of this great country of ours will be changed — new sources of wealth, a new distribution of wealth, but Canada will not reap the full benefit of these riches if they do not flow into the pockets of her own people — and they certainly will not flow into the pockets of those who will not take the trouble to think.

It is not intended in the picture that has been drawn here to slight the possibilities of British Columbia, where, as a matter of fact, industry in all its phases is more completely organized than in any other part of the country.

It is universally recognized that Canada is ill equipped with sources of dependable, practical mining information, and without this there can be no intelligent approach to any phase of Canada's mining industry. It is not enough to know that a glowing future is certain. There is much of great interest to learn about the whole industry, from the first steps in exploration to the refining and marketing of metals; of the part minerals play in the economic and national life of those races which are fortunate in possessing them; how to select opportunities for investment and the pitfalls to avoid.

A mining investment is, contrary to the popular idea, easier to understand than almost any other. Just consider that for a moment. What does the average investor know about the things which make or break a bank — the myriad problems of labor, raw materials, markets and tariffs involved in the steel or any other manufacturing industry? In the final analysis investment is in men and this of course is true of mining, but there is so much that is easily comprehensible to the average man, and behind the cold facts of capital structures and financial arrangement there stands even in the investment of a few dollars a living story of human endeavour probably unequalled in any other industry.

An Authoritative Series

In an attempt to supply this need of information the Harvie organization, under the inspiration and direction of Dr. Robert Harvie, who brings to bear the experience of a quarter of a century's association with the problems of mineral development; in Canada, first with the Quebec Bureau of Mines, then with the Geological Survey of Canada and with the Companies which bear his name, has undertaken the publishing of a series of booklets written by leading authorities on all phases of mining.

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SEVEN NEW SHARES FOR ONE OLD OF ONT. WOMAN LAKE

Company Holds Two of First Important Finds in the Camp

It is officially announced that Ontario Woman Lake capitalization is to be increased to $2,000,000 and old shareholders will be given seven shares of new for one old. The present capitalization is $200,000 with 129,000 shares issued. This will place the treasury of the company in a strong position.

Ontario Woman Lake property was one of the first staked in the camp and is reported to have some of the most spectacular showings in the area. Recently an English group made a strong bid to get a hold of the company's holdings but the offer was not considered attractive enough and was turned down. The company has just acquired the Gray claim and this gives it control of the whole of Medicine Rock, which is said to be one solid mineralized island. The group east of the Duncan-Bathurst and at the narrows between Woman and Narrow Lake is to be diamond drilled.

Ontario Woman Lake's most spectacular showing is a massive dome of galena showing blue quartz veins and lately a white quartz vein, 55 feet wide and much the same as the Jackson-Manion vein, has been discovered.

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Dividends Offset Interest Charges on Margin Order

In regard to interest charges on marginal purchases. If a broker accepts 300 Teck Hughes as collateral on a purchase of 100 McIntyre, would the interest not apply on the $2,600, as the broker must furnish all the money and not on the difference between the value of the Teck Hughes and the McIntyre?

This contention is right. It would work out that at the present market it would cost $52 a year in interest. The broker would collect the dividends and they would offset the interest.

300 Teck Hughes,	10%	$ 30
100 McIntyre	20%	100
Total dividends		$130

Interest on $2,600 at 7 per cent., $182. This is added to the bill monthly by the broker, and unless paid monthly it compounds, which over a year makes the interest heavier. The following is a rough table of how it works out, and an argument used in favor of borrowing from the bank on a straight loan, and putting up stock as collateral. If your loan position with the bank is good you will save a small amount. The following monthly brokers' interest charges are worked out roughly, the decimal point not having been carried out on the odd cent:

Loan		Interest 7%	Due $2,600
1	month	$15.18	$2,615.18
2	"	15.25	2,630.43
3	"	15.34	2,645.77
4	"	15.43	2,661.20
5	"	15.52	2,676.72
6	"	15.62	2,692.34
7	"	15.71	2,708.05
8	"	15.80	2,723.85
9	"	15.90	2,739.75
10	"	16.00	2,755.75
11	"	16.10	2,771.85
12	"	16.20	2,788.05
Interest Cost			$ 188.05

Teck Hughes may go on a 20 per cent dividend basis and that would cut the net amount to $22. At the same time there is the chance of market appreciation on the whole 400 shares.

ELECTRICAL SURVEY CONTRACT ON CORONA

Will be Started Almost Immediately — Company Has Two Groups

The electrical survey is to begin on Corona Mines properties almost immediately. Lines have been cut to enable a more rapid completion of the survey. Dr. H. Lundberg, field manager of the Swedish American Prospecting Company, will personally supervise the electrical survey.

Corona controls two groups of claims, one in Duprat adjoining Grover Daley, Ribago and the U. S. Smelting. Gossan found here is identical with the gossan found originally on the Horne property of Noranda and under which the Noranda first made their big discovery.

The Dasserat group in the opinion of the company's field scout has a discovery that shapes up like a continuation of the Nipissing ore body.

Nipissing assays run upwards of $100 a ton, but are somewhat spotty. Sinking operations will be started as soon as the new plant is in.

BUCKINGHAM TO REOPEN

Buckingham shares are selling around 6 and 7 cents. It is reported that a deal for the stock at 8 cents has been made. It is said that the Shining Tree property is to be opened. The company has also a group in Quebec.

Peterson Cobalt expects to soon cut the O'Brien fault in its long crosscut below the contact under the lake.

Mint Now Buys All Gold Canada Produces

Under recent legislation all gold produced in Canada is required to be sent to the Royal Mint at Ottawa. This explains the large increase in government purchases of gold in 1926, over 1925, and the decline in exports.

The summary of Canada's foreign trade for the last calendar year issued by the Dominion Bureau of Statistics, says:

"The most notable decrease in Canadian exports occurred in the item of gold-bearing quartz and nuggets, which, from 1925 to 1926, decreased from $31,433,000 to $7,340,000, or $24,000,000. The production in 1925 was valued at $35,880,000, and in 1926 at $35,749,000, and consequently the decrease in exports was not the result of a decrease in production.

"In 1925 the Royal Mint, Ottawa, however, only purchased Canadian raw gold of the value of about $2,500,000, whereas in 1926 it purchased Canadian raw gold of a value of about $28,170,000. In other words, the amount of Canadian raw gold purchased by the Royal Mint in 1925, plus the amount exported, practically equalled the production."

Standacona Mines Extends Its Trenching Operations

MONTREAL.—Trenching on Block No. 2 of the Stadacona Mines near the western contact of the diabase dyke was continued during the week. Mild weather added somewhat to difficulties in trenching as the overburden will not stand up unless it be frozen. This work, has been undertaken to locate the spot where rich copper values were indicated by the electrical survey. On the Stadacona Block No. 1 the pit is reported to be within four feet of bedrock. This work has been done on a location indicated as favorable by the electrical survey.

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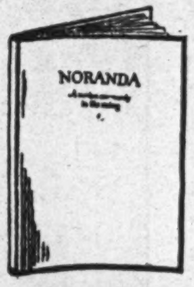
GEOLOGICAL REPORT ON ALBERTA OIL FIELDS IS NOW PRINTED

Summary report of Geological Survey, 1925, Part B, just published, contains the report by Dr. G. S. Hume on his work in east central Alberta and western Saskatchewan in 1925 during which he determined the structural feature known as the Ribstone-Blackfoot Anticline. This information has already been given to the public in the form of a mimeographed statement. The publication of the report now renders the statement available in printed form. There are notes by E. D. Ingall and D. C. Maddox on the results of borings conducted during the year, and reports by Dr. J. F. Wright and C. A. Merritt respectively on the Oxford and Knee Lake Area, and the Bigstone and Fox Rivers area, Manitoba. Copies may be had on application to the Director, Geological Survey, Ottawa.



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BRYANT OIL CO. LTD. is offering stock to investors on the grounds that it has a large acreage of oil lands which should prove immensely valuable and enable it to build up a sound and profitable business.

Our leases comprise **30 leases covering a total of 2,800 acres in the Willow Creek-Highwood area.** Capitalized at only $160.00 per acre (in stock).

This acreage runs through the centre of the holdings of the Imperial Oil Co., who are drilling near the south end of the area on Rice Creek and near the north end on the Highwood River.

The company also holds a **royalty of 10 per cent. on the production from the Highwood well of the Imperial Oil Co.,** located on L.S. 3, Sec. 36, Tp. 18, Range 3, West of the 5th Meridian.

The company holds a report on this area written for Mr. Bryant by the well-known oil geologist and petroleum engineer, S. E. Slipper, formerly geologist to the Geological Survey of Canada, and Petroleum Engineer for the Department of the Interior, and now chief geologist to the "Gas Company."

The report contains the following statements in regard to the oil prospects of the strip on which our leases lie:

"I would unhesitatingly advise drilling on locations presenting such favorable surface signs of the probable occurrence of petroleum beneath them." . . . .

"I would therefore strongly recommend drilling for oil on the strip described above which covers the crest of the anticline and the Benton exposures to the east of it, because it would be most unusual if oil and gas were not obtained here in the upper bed of the Dakota and in two or three horizons in the Kootenay." . . . .

"I consider that drilling projects located on this fold, particularly where the seepages are or where the offsets occur, have every assurance from a geological point of view of obtaining a production of oil from the Dakota or Kootenay."

In consequence of his very extensive experience in this and in neighboring fields, no geologist is more competent than Mr. S. E. Slipper to express an opinion on the oil prospects of our holdings.

A geological report by Prof. J. A. Allan and Prof. A. E. Cameron, of the University of Alberta, including a study of the fossils by Prof. P. S. Warren, of the same University, was also prepared for Mr. Bryant after he had spent much time in collecting fossils and studying the geology of this region both alone and in company with Messrs. Allan and Cameron.

218 Traders Building - - Calgary, Alberta

GRACE MINE SHAFT BEING SUNK TO 500 FT. LEVEL AT ONCE

Vein Cut at 300 and Shows Quartz and Much Free Gold

MONTREAL.—At Power and Mines annual meeting W. E. Simpson, consulting engineer, stated that Hydro Electric Power is now in use on the Grace property, which the company is operating in Michipocoten, and the 1,400 ft. compressor is installed and operating satisfactorily. The present shaft has attained a depth of 300 ft. and is continuing to the 500 ft. level to tap the vein which was proven by diamond drilling. At the 300 ft. level last week the drills broke into the vein, and the first shot threw out spectacular quartz showing free gold over the entire width. It is the intention of continuing drifting on the vein, and also on the 200 ft. level, where the vein is about 6 ft. wide. Values have been $20 per ton.

Ontario government are now building a truck road from Wa Wa on the Algoma Central to Grace Mine. This road will pass through the Cora property and the Minto-Cooper, belonging to the Pioneer Mining Company, where extensive development work is now progressing. The mill on the Pioneer will be erected this summer. Power and Mines will consider mill plans later in the year.

Directors are Jacob A. Jacobs, Granville Gilmore, R. A. Darwin, Thomas Jones, Nap. G. Kirouac, and Major-General Sir Frederick Loomis.

Common shares of the company were listed on the Montreal Mining Exchange this week. It is the intention of the company to apply for listing in Toronto, as well as New York.

Laurier Mines Extends By Purchasing Claims

From Our Own Correspondent.

MONTREAL.—Further purchases of mining groups on behalf of Laurier Mines have been made within the past few days. The company now has 62 groups of claims checkerboarded over the entire northwestern Quebec field. The company's holdings in Dufresnoy have been materially strengthened though the company has already controlled a large portion of the northeastern section of Dufresnoy and has also secured a large block in Dasserat just north of the McDonald and Ouellette groups.

POTTER-DOAL MARKET

There have been some wild variations in the Potter-Doal market during the past week. They are difficult to understand. If the property is looking as well as reports would have it, the public might reasonably expect a more steadier market. In one day the stock sold up to 57, back to 51½ and up to 53.

Keeley's Liquid Position Is an Excellent One

Keeley shareholders are getting half yearly dividend cheques of 12c per share. The accompanying statement shows:

Cash	$ 248,293
Bonds, interest	978,600
Ore receipts due	157,300
	$1,384,193

INDICATIONS FROM SURVEY ARE GOOD

Hecla Property is Being Surveyed by Electrical Process

Latest information received from the Ontabec-Hecla group, north-east of Noranda, on which the Lundberg Swedish machine has been working for the past two weeks gives good indications of commercial ore bodies. The survey will be completed about April 1, and diamond drilling will follow. Ontabec Limited has staked another 400 acres of promising ground in the township of Poularies, immediately north of Destor. Brownlee Mines recently acquired several thousand acres of ground there. This new ground staked by Ontabec makes a total of 1,360 acres acquired this year.

Ore Receipts at Trail

Ore receipts at Trail Smelter of the Consolidated Mining and Smelting Company from March 1 to March 7, inclusive, and from Jan. 1 to date, in tons, are as follows:

Company's mines	11,092	87,448
Other mines	3,833	31,950
	14,925	119,398

Paymaster 1,000-Ton Unit

Premier-Paymaster Mines, Porcupine, is installing the new 1,000 ton concentrating plant which will bring production up to about 1,200 tons daily before the end of the year. Concentration and then cyaniding the concentrates is the plan proposed.

Operate Cline Group

A syndicate backed by U. S. funds will operate the Cline group near Lochalsh, in Goudreau area. The property is equipped with a complete mining plant.

Mining Exchange Officers

Montreal Mining Exchange officers for 1927 are: Jas. W. Ball, of C. F. Meikle & Co., president; Louis M. Atwell, of Louis M. Atwell & Co., vice-president; Norman W. Ludford, of Arthur E. Moysey & Co., secretary-treasurer; George R. Williams, of Williams Brochu & Co., and Irving J. Isbell, of Isbell Logan & Co., on the board. G. H. Benson was appointed assistant secretary-treasurer.

Alex. Bowles has been elected a member of the Mining Exchange.

The Governing Committee announced that the stock of Power and Mines Corporation has been admitted for trading on the Exchange.

OUTSIDERS BIDDING FOR ANDEAN COPPER

Group Adjoining Towagmac Being Sought by U.S. People

American interests have been bidding to secure control of Andean Copper. The main reason is said to be the properties adjoining Towagamac on the north and another group slightly to the east and in the same area. Surface indications are of such a nature that the consulting engineer, Joseph Houston, has recommended an electrical survey and arrangements have been completed for this immediately. This will be followed by diamond drilling and further extensive development work. The company through a recent deal will have plenty of money on hand and is assured of further funds for the development work planned.

Conroyal Drifting

Conroyal Mines, Kirkland Lake, is drifting on the vein on the 300 ft. level. When cut the vein showed a width of 7 feet.

Whitewater Dividend

Whitewater Mine, a shipper to Trail Smelter, paid 10 per cent. on its preferred shares in February. It paid 25 per cent. in 1926. It plans to erect 150 ton mill.

Another Lead Shipper

Bounty Mine, Beaverdell area, British Columbia, has joined the shippers to Trail smelter, shipping 10 tons of lead ore.

Open New Offices

Harvie Smith & Co., Montreal, have moved into a new suite of offices in the addition just completed in new Birks building, Philips Square.

GORDON P. O'REILLY & CO.
Investment Stocks
and Securities
Room 26, 74 Sparks St., Ottawa
Room 516. 120 St. James Street
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RUGGLES & RUSE
Members Standard Stock and Mining Exchange.
Enquiries Invited
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ROYAL BANK BUILDING
TORONTO

WORK OLD LEAD PROPERTY

PORT ARTHUR, Ont.—Considerable activity is reported from the old lead and zinc properties in the township of Dorion, 35 miles east of here, where, owing to the increase in prices of these metals, opportunities appear very favorable. The North American Smelting and Refining Company is preparing to make a producer of the Ogema, where work has been in progress for some months in the way of preparing plants and buildings. D. C. Kemerer is in charge.

Potter-Doal Looks Good

Potter-Doal property, Munro Tp., Northern Ontario, is looking quite attractive. The vein has been trenched for 100 ft. and shows an average width of 8 ft.

TO THOSE WHO INVEST IN MINES

We beg to announce our removal from former offices, 5th floor Bank of Hamilton Building, to the 12th floor, the securing of larger quarters having been necessitated by the marked increase in our business.

Our present suite of offices is not only larger but is so arranged as to make for the greater convenience of our clients and will facilitate our handling of their business.

Our Customers' Room

An important addition in this respect is the opening of our new Customers' Room which is equipped with board and attendant facilities for following the markets.

These improvements, our private wire system to the northern mining districts, exclusive news despatches, combined with other long established services, completes our equipment to supply a real service to those who invest in mines.

We invite fullest use of all these facilities.

H·L·G
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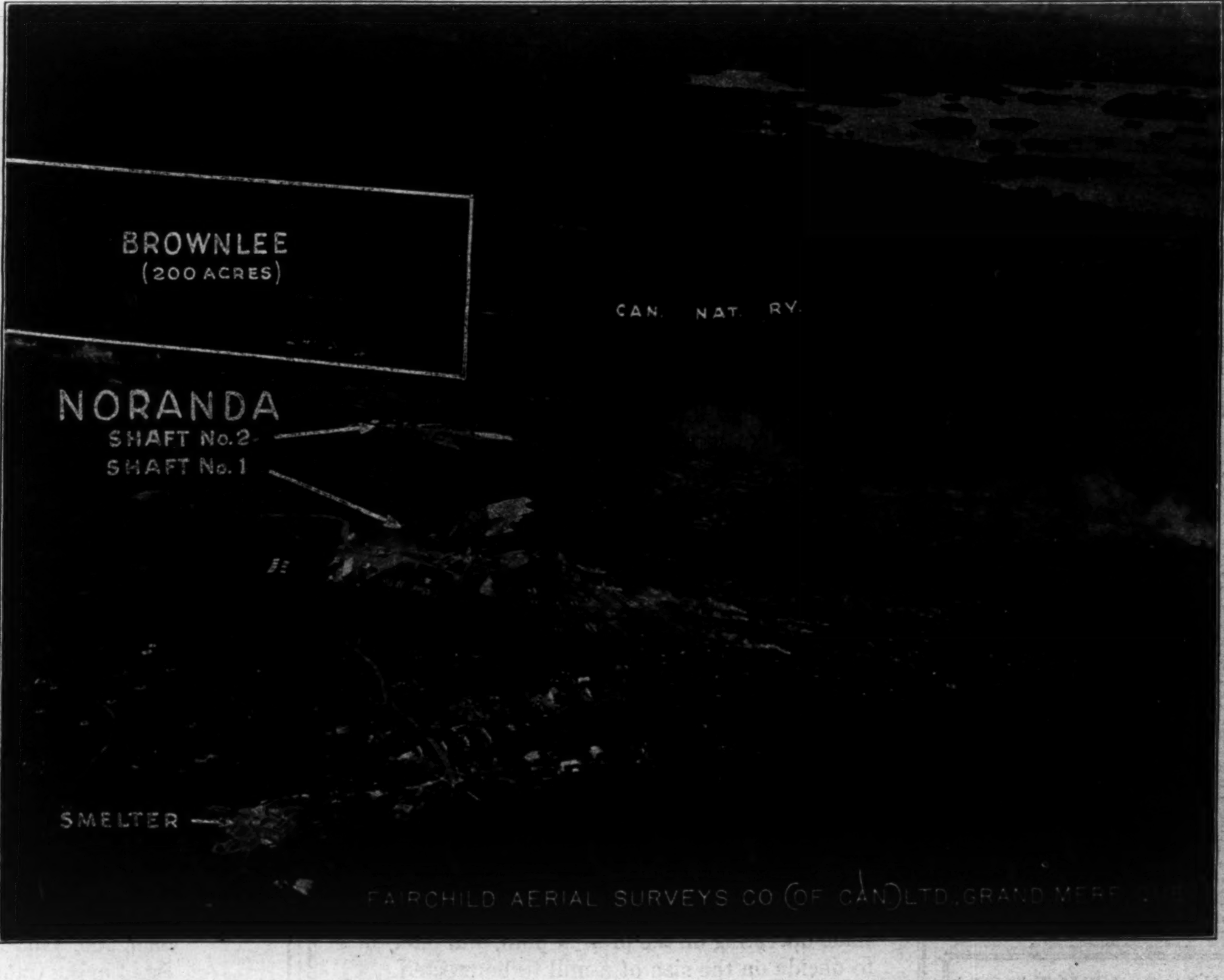
AND COMPANY
Bank of Hamilton Bldg.
TORONTO
BRANCHES
TIMMINS KIRKLAND LAKE BELLEVILLE . COBALT
Private wires connecting all branches

MINING STOCK QUOTATIONS

Week Ending March 15

	Par Val., $	Div. Rate	Yield	High for wk.	Low for wk.	Close Mar. 15	Sales for wk.	Range, 1926 High	Range, 1926 Low	Range, 1927 High	Range, 1927 Low
Aconda	1	...	...	30	20	30	33000	..	..	45	20
Amulet	1	...	...	1.34	1.26	1.32	57385	2.89	.90	2.89	1.22
Algonquin	1	...	...	3	2⅛	2¾	9500	6¼	1¼	5¼	2
Apex	1	...	...	2½	2½	2½	1000	6	2¾	3½	2
Area	1	...	...	.43	.36	.39	184875	1.55	.21	1.95	.29
Argo. Con.	1	...	...	42	37	42	138100	67	18½	58	34
Atlas	1	...	...	7	4½	6	297800	5	1⅝	7	2
Abana	1	...	...	31	29	30	7200	..	..	31	20
Amos	.	...	...	48	48	48	6000	..	..	56	40
Ajax	.	...	...	34	20	24	6000	..	..	44	6½
Bard	.	...	...	1.35	.90	1.25	53300	..	..	1.50	.50
Baldwin	1	...	...	2¾	2¼	2¾	55500	6⅞	1	4¾	2¼
Barry Holl.	1	...	...	45½	38	44	533305	1.00	.21	1.00	38
Beaver	1	...	...	65	63	63	13800	99	51	75	59½
Bellellen L.	1	...	...	20½	18	18	7000	23½	20	23½	17
Bidgood	1	...	...	6	6	6	10000	9⅝	4½	9½	5½
Bourlamaque	1	...	...	1.51	1.20	1.25	42956	1.45	1.02	1.53	1.20
Buckingham	1	...	...	9	6¾	6⅞	56000	7¾	2	9½	6
Boischatel	.	...	...	12¾	10	11½	60650	..	..	27	10
Cen. Manitoba	.	...	...	1.25	1.15	1.15	12550	..	..	1.31	1.07
Can. Lorrain	1	...	...	44½	37½	40	65000	93	57	72	37½
Capitol S.	1	...	...	28	25¼	26	24000	48½	24	34	25
Castle Tre.	1	...	...	1.05	1.00	1.01	48890	1.85	.91	1.27	1.00
Chaput H.	1	...	...	8½	7¼	8	40300	22	3⅛	10	4⅝
Clifton	1	...	...	1½	1½	1½	3000	6½	1	2	1
Coniagas	5	...	...	3.99	3.90	3.95	1200	4.85	3.00	4.40	3.80
Coniarum	5	...	...	3.30	3.25	3.30	1000	4.45	3.00	3.50	3.00
Col. Kirk.	1	...	...	3½	3	3	38000	6¾	2	3⅞	2
Cons. Smelter	25	10	3.98	255	245	251	10022	265	177¼	255	242
C. W. Dome	1	...	...	12	10⅛	11	301516	29½	14	19	10⅛
Crown Res.	1	...	...	8½	7¾	7¾	4800	24¼	8	11¾	7¾
Corona	1	...	...	18	16	16	74500	37½	20	37	13
Capital R.	.	...	...	22½	20	20	82000	43	26	54½	18
Destor	.	...	...	..	..	..	...	41	40	43	40
Davidson	1	...	...	..	..	..	...	3	1½	3	1½
Dome Mines	None	2.00	22.58	8.95	8.60	8.85	3694	20.00	8.00	10.85	8.30
Don Rouyn	1	...	...	34	30	31	68750	61	25	56½	25
Duprey	.	...	...	..	..	..	...	..	..	10	10
Duprat	1	...	...	17	15¾	15¾	145000	35½	10	34½	15
Fiske	.	...	...	16	10½	10½	3000	16	12	30½	10½
Gifford	1	...	...	1	½	½	1500	..	..	1¾	⅞
Everett	1	...	...	4	4	4	5700	12¼	3¾	5½	3¾
Goldale	1	...	...	26½	25	25	8200	43	24	30	20
Gold Hill	1	...	...	46	38½	43	148300	73½	25	54	34
Gold Reef.	1	...	...	1⅝	1¼	1⅝	3000	5	1	2½	1¼
Grover Daley	.	...	...	18½	16½	17	46650	32	22	37	15
Howey Gold	.	...	...	48	45	45½	6100	..	..	53	42
Hill Top	1	...	...	17½	16	17½	22000	31¾	20	24	15
Hollinger	5	26	6.20	21.25	20.80	21.00	9495	21.00	16.65	22.65	20.00
Hillcrest, com.	100	6	9.52	63	60	60	65	65	55	65	60
Do., pref.	100	7	8.09	86½	85	86½	20	83	79½	86½	85
Haultain	.	...	...	15	15	15	1000	..	..	15	14
Indian	1	...	...	6¼	5½	6¼	700	14½	3¾	11	4
Int. Nickel, c.	None	2.00	4.81	42⅛	41	41½	5254	46	33	44¾	38
Jay Copper	.	...	...	1.10	1.04	1.04	6000	1.10	.73	1.26	1.04
Keeley	1	24	17.13	1.43	1.40	1.40	28405	1.91	1.39	1.46	1.40
Keora Mines	1	...	...	9	8	9	10750	22	11	13½	7
Kirk. Hunt.	1	...	...	21½	18	19½	41650	34	8½	35	16½
Kirk. Lake	1	...	...	90	86	88	67775	1.44	.69	1.00	.85
Lake Shore	1	40	2.21	18.50	18.05	18.05	4079	16.15	9.50	19.00	15.40
Lakeside	1	...	...	3¾	2⅞	2⅞	64920	10	1⅛	6	2⅞
Laval	1	...	...	39	36½	37¼	150925	45¾	21	55	33
La Rose	1	...	...	9	8	8	10500	39	4	12	8
Lorrain	1	...	...	2½	2	2¼	19500	15	2	3¼	2
Lorrain T. L.	1	...	...	.25	.25	.25	600	1.10	.30	.40	.25
Marclay	1	...	...	41½	40	40	21400	35	30	42	34½
Macassa	1	...	...	26	22	26	5200	43	25	37	22
McKinley	1	...	...	13¾	13¾	13¾	500	26	8½	17½	11
McIntyre	5	20	3.96	26.60	25.00	25.15	10785	29.75	22.70	27.50	25.00
Millcrest	1	...	...	4	4	4	6000	6	4½	6	4
Mining Corp.	5	12½c	...	3.21½	3.10	3.15	4440	4.45	2.60	3.50	2.90
Moneta.	1	...	...	..	..	..	...	18	11	14	12
Montreal Rouyn	1	...	...	24¾	10	10	10500	60	13	33	10
Noranda	None	...	...	23.75	21.00	23.50	69374	24.75	12.00	24.10	19.95
Newray	1	...	...	31½	31½	31½	1000	45	31	33	30
Night Hawk	1	...	...	6	4⅞	6	18600	17	3¾	8½	4½
Nipissing	5	12	8.27	8.30	7.25	7.40	26426	9.25	4.90	10.30	7.25
Ophir	1	...	...	2½	2½	2½	1000	4¼	½	4⅝	1¾
N. Amer. Lead	.	...	...	2.05	1.92	1.92	6345	..	..	2.05	1.71
P. L. Cobalt	1	...	...	9	8	8	7200	32	14½	18	7½
Porc. Crown	1	...	...	8	6	6⅛	14100	12	4	11	6
Potter Doal	.	...	...	58	45	56	304350	..	..	65	32
Pioneer	1	...	...	1.08	1.04	1.05	18880	1.22	.66	1.18	1.00
Premier Gold	1	32	14.54	2.25	2.15	2.20	13860	2.75	1.83	2.30	1.86
Preston	1	...	...	4¾	4¼	4¾	6000	9⅞	4	6	4
Osisko	.	...	...	.75	.55	.55	11325	1.94	1.05	1.75	.55
Rouyn	.	...	...	3	2¼	2¼	22700	9	1⅞	5	2¼
Rouyn, Que.	1	...	...	2	2	2	22000	4½	1¼	4⅝	2
Siscoe	.	...	...	20	15	15	1500	..	..	20	12
South Keora	1	...	...	64½	62½	64½	52150	35½	5	64½	35
Stadacona	1	...	...	40	33½	34	187125	51	40	55	33½
Teck Hughes	1	10	1.59	6.75	6.20	6.27	74943	5.55	2.64	6.80	5.37
Timiskaming	1	...	...	5	5	5	1000	15¼	6	7	5
Thomp. Krist	1	...	...	..	..	..	...	3½	1	1	½
Tough Oakes	1	...	...	54½	50	50½	101800	66	36	62½	50
Towagamac	1	...	...	3.95	3.70	3.70	14521	6.10	3.15	5.75	3.70
Do., Rights	.	...	...	5	1½	3	29417	..	..	19	1½
Vic. Silver	1	...	...	10	9	9⅝	37300	10½	3	14	4½
Vickers	1	...	...	1.46	1.40	1.44	35690	1.22	.13	1.46	1.20
Vipond	1	8	2.00	1.46	1.40	1.43	242070	2.02	1.49	1.75	1.25
Sylvanite	.	...	...	4.04	4.04	4.04	200	..	..	4.30	2.60
Ribago	.	...	...	57	50	50	12600	..	..	87	50
St. Anthony	1	...	...	23½	21½	23	8200	..	..	31	16
Wakenda	1	...	...	3½	3	3½	7700	2¾	1	5	2
Wasapika	1	...	...	2	2	2	1000	4	1	2	1
West Tree	1	...	...	3½	3½	3½	1500	4	2	4	3
Wettlaufer	1	...	...	3	2	3	10000	10	2	3	2
Wright Har.	1	37½	3.62	10.60	10.35	10.35	18120	10.00	7.75	11.05	9.35
Vac. Gas	.	...	...	15½	5	11	49700	..	..	26	3



LOOK AND BE CONVINCED!

AS ONE casually glances over the above photograph one cannot help but be impressed with the location of Brownlee. Diamond drilling on the Brownlee group—see the position on the map—gives most convincing evidence that the mineralized zone on which Noranda secures its famous and fabulously rich A, B, C and D ore bodies, as well as others, extends north into Brownlee. Noranda is to-day driving two cross cuts north on each side of this mineralized zone, towards the Brownlee boundary, and then by horizontal drill holes, into the mineralized zone hopes to pick up other ore bodies, right up to the Brownlee boundary.

On location alone Brownlee is an attractive speculation at 40 cents. The people behind the venture have practically proven the venture with their own funds. The public is assured of a good run for their money.

Remember! Noranda is trading at more than $20.00 per share, you can stand one foot on Noranda and the other on Brownlee and yet to-day—if you act without further delay—you can buy Brownlee for 40 cents per share.

This is positively the last call for these shares at 40 cents, future offerings, if any, will certainly be at higher prices.

Brownlee will shortly be listed on the Montreal and Standard Exchanges.

Information on Brownlee is available at the Aetna Securities, Ltd.

AETNA SECURITIES LIMITED
36 TORONTO ST. TORONTO, ONT.

Area-Amulet Electrical Survey Not Yet Proven or Disproven by Drills

Amulet Reserves Are Estimated and Better Results Are Being Looked For

Amulets annual report has been made public. It is important. There have been all kinds of rumors about the ore bodies on this group and the report gives facts to replace the rumors.

The report sets at rest all rumors about the drilling to follow up the electrical survey. Nothing has been encountered as yet.

In regard ore reserves, No. 2 ore area is shown to have an estimated tonnage, proven by 5,227 ft. of diamond drilling, to contain 160,448 tons gross value, $3,391,871, with copper valued at 13c., zinc 6c. and silver 60c. This gives a value of $21.14 per ton.

No. 1 and 3 area were covered by the electrical survey and on No. 1 no large bodies were indicated and the indications on the known zones are interpreted as showing small bodies. No indications of importance were indicated on No. 3.

On No. 4 in one of 5 drill holes, 5 sections, 4½ to 15-ft. in width were cut, values running 2 to 18 per cent. zinc. The results, says the report, were distinctly encouraging.

In reviewing the report of Carl Erickson, late manager, one is struck by the shortness and narrowness of the shoots, though values are excellent. He says:

At the 75-foot level lateral work was carried on. The fracture indicated on surface was intersected but showed no mineralization. Drifting on the fracture was started in both directions, and, at a point 40 feet to the east of the intersection, a stringer of massive sphalerite was encountered which widened to about eight inches, the length of this occurrence was about 12 feet.

In drifting to the west along the same fracture, ore was encountered 24 feet from the cross-cut and continued for 25 feet with an average width of about 8 feet. The average values for this lens were 15 per cent. copper, 5 per cent. zinc, $0.80 gold and 3.0 oz. silver, or a total of $47.60 per ton.

A total of 276 feet of cross-cutting and drifting was done on the 75-foot level, and, as no further ore was encountered, it was decided to continue the shaft to the 150-foot level with a view to exploring the fracture at that depth.

In sinking the shaft, two irregular mineralized zones were encountered, the first of which occurred between 124 and 138.5 feet, with a maximum width of 5 feet. Two samples, one 7 feet and the other 3.5 feet wide, were taken at 128 and 134 feet respectively and gave the following average results: 0.64 per cent. copper, 25.74 per cent. zinc, $0.36 gold and 2.34 oz. silver, or a total of $34.32 per ton. The second zone, similar to the above, was encountered at 142 feet in the east wall.

East Drift

In cutting the station for the east drift at 150 feet, the massive mineralization, encountered in the shaft at 142 feet, was found to continue along the drift for a length of 28.5 feet, with an average width of 3.3 feet and an average assay of 0.30 per cent. copper, 18.98 per cent. zinc, $0.25 gold, and 1.49 oz. silver, or a total of $24.70 per ton. Continuing the drift along the fracture, erratic values were obtained for 20 feet, when another lens was encountered which continued for 64 feet with an average width of 3.4 feet and an average assay of 6.23 per cent. copper, 4.97 per cent. zinc, $0.40 gold, and 2.76 oz. silver, or a total of $24.21 per ton. A short cross-cut was driven to the north near the end of the ore zone with a view to encountering possible parallel lenses and to definitely establish the fractured zone. The drift was then continued for 80 feet beyond the mineralization, but nothing of importance was encountered.

West Drift

The west drift encountered the fracture 30 feet from the shaft. Slight mineralization of pyrite was observed at first, and, in drifting on the fracture, a massive zone of mineralization was encountered 72 feet from the shaft. This zone continued for 20 feet with an average width of 3.4 feet and an average assay of 10.91 per cent. copper, 2.55 per cent. zinc, $0.37 gold, and 2.8 oz. silver, or a total of $33.49 per ton. This occurrence was in the same fracture and nearly directly under the same type of mineralization found in drifting west from the shaft on the 75-foot level.

No. 1 Cross-cut

In carrying the west drift forward, a mineralized zone was encountered 25 feet from the shaft on the north side. As a cross-cut was planned to be driven toward No. 46 trench and this mineralization occurred in this general direction, it was decided to commence from this point. It was also expected that this cross-cut would encounter a fractured zone indicated on surface 200 feet from the shaft. The above mineralization continued for 45 feet, and numerous samples were taken, the results of which showed the values to be erratic. In continuing the cross-cut, small irregular patches and stringers of chalcopyrite have been encountered from time to time, the cross-cut to date having a length of 150 feet.

150-foot Level

There has been done to date a total footage of 639 feet of cross-cutting and drifting on this level.

The underground work in this area was confined, during the period since the last report, to No. 1 cross-cut, which was driven northwest to intersect a mineralized zone located in that direction. At a distance of 200 feet from the shaft, a small mineralized zone was intersected.

Drifting was carried on in both directions in this zone, which was found to be small and similar in character to the other lenses found on this level. An interesting feature of the assays on this lens was the high gold and silver values which were found. This is possibly due to the proximity of a small porphyry dyke whose surface outcrop is nearly on the mineralized zone, but which, as yet, has not been intersected by the underground workings.

Operation Report

It might be pointed out in connection with this zone that, unlike the other lenses which have been found to date in this region, this lens is distinctly separate from the main fracture zone, and, in view of this, establishes some interesting possibilities for further discoveries in this vicinity

Conclusions

No. 1 Ore Area.—All surface work warranted has been completed on this area, and a body of commercial ore is indicated which will be further explored by diamond drilling in the near future. The most important section thus far exposed is 36 feet of $19. ore.

No. 2 Ore Area.—No further work is contemplated on this area until the railroad is in operation, and a permanent plant can be installed to mine out the ore bodies indicated. The larger of these is estimated to contain 160,448 tons of ore, having a gross value of $3,391,870.72, the grade and extent of the two smaller areas has not been definitely ascertained. It is believed that actual mining will show an increase over the estimated tonnage indicated by the diamond drill holes.

No. 3 Ore Area.—Development of this area has been rather disappointing, in that widths secured on surface did not continue to depth in the shaft. All possibilities have not been eliminated, however, and the theory advanced by the company's geologist that the ore may rake to the northeast will be tested.

No. 4 Ore Area.—In summing up the development to date, on the 75 and the 150-foot levels, it has been found that all the zones of mineralization have occurred in or paralleling a very pronounced fracture, which has a slight dip towards the north. This fracture zone has been marked by considerable gouge and a number of minor fault zones adjacent to it. Fault striae have been observed, principally in the west drift, which have indicated a horizontal movement of several feet. It would seem evident from those mineralized zones which have been found to date that the fractured zone was closely associated with the genesis of the ore. The improvement, from the occurrences on the 75-foot level to those of the 150-foot level, has been sufficiently marked to warrant sinking an additional 100 feet.

Area Report Discusses the Diamond Drilling—Liquid Position of Company is Strong

Area's annual report has the same message for shareholders as Amulet, in regard the electrical survey. Results are not yet proven or disproven. Pres. R. E. Popham says every effort is being made to locate possible ore bodies in the indicated areas.

K. A. McPhaden, manager, says:

"The work performed during the year though, without tangible economic results, is nevertheless distinctly encouraging, and by preliminary examination and detailed mapping of the entire property the way has been cleared to an intelligently planned campaign in 1927.

"The hope for the present centres on the Turcotte claim, but the prospective value of the company's own property has increased rather than depreciated by the limited amount of work so far performed and interesting developments are anticipated.

Turcotte Claim

"The work on the Turcotte claim consisted of cross-section, geological and electrical surveys, but only the more pronounced outcrops could be examined for geological structure, owing to snow. Those observed, combined with previous knowledge, were sufficient to confirm the opinion as to the prospective value of the claim.

"The electrical survey which followed the geological work indicated six conductive zones near the eastern claim boundary. Portions of three of these passed into the property of Amulet Gold Mines, Limited, and further indications of the same general zone were obtained on their side of the line.

"These electrical indications are all lenticular in outline and their measurements at the points of greatest dimension within the limits of the Turcotte claim are as follows:

No. 1—180 ft. long and 60 ft. wide.
No. 2— 90 ft. long and 50 ft. wide.
No. 3—180 ft. long and 50 ft. wide.
No. 4— 80 ft. long and 85 ft. wide.
No. 5—150 ft. long and 55 ft. wide.
No. 6—130 ft. long and 52 ft. wide.

"No ore bodies of iron pyrite of sufficient density to give the reactions obtained have been encountered in this area, and as magnetic attraction is not marked, the possibilities of finding ore bodies of massive pyrrohtite would appear slight. These features combined with the presence of high grade ore in the Amulet shaft which is situated only 550 feet from the Turcotte boundary, and the location of their main ore body 200 feet distant on the stike of the indications obtained, and in similar formation suggest that the possibilities are good for finding commercial ore deposits."

Cost assets total $67,614; liquid assets $71,758; total assets $2,078,846; current liabilities $4,845 and working capital $152,625.

J. I. Ranken, 2nd vice-president signs the report and says the electrical survey results have not been proven or disproven. No ore has yet been encountered but mineralization appears to be strengthening and deepening toward the east and a change may well occur in its character. He adds:

"Considerable delay has occurred in diamond drilling, but drilling operations are being carried on in electrically indicated areas with a view of further testing for further possible ore bodies and it is obvious that if these exist all milling plans will necessarily require revision.

"The estimate of 160,448 tons with a gross estimated value of $3,391,970 is taken from a section of the No. 2 ore body and is considered sufficient to warrant the commencement of active milling operations but the completion of definite plans has been postponed pending the result of diamond drilling. The electric power transmission line is now completed and is in close proximity to the south claim of 'A' group. This is convenient for all purposes.

"Preparations are now in hand for the shipment of a carload of ore from No. 2 orebody for practical milling tests. Information resulting from these tests will be used in determining the best method to be employed in treatment of the ore mined."

The balance Sheet shows cash on hand $117,009; liquid assets $127,477; total assets $2,221,058. Current liabilities $4,918 and working capital $370,741.

New Company to Handle Don Rouyn's New Group

Don Rouyn will likely organize a new company to operate its property in Dufresnoy Tp. on which an important discovery was recently made and to also take over a well located group in Montbray Tp. near Nipissing.

Some promising showings have been brought to light on both these properties, particularly the one in Dufresnoy, where surface work has disclosed, a mineralized zone containing chalcopyrite, bornite and sphalerite, with a minimum width of 17½ feet, which has been picked up at various points for a considerable distance along the strike.

This discovery attracted a great deal of attention at the time it was made, and is still an object of much interest in mining circles. The property has been examined by a number of engineers, and has been very highly spoken of.

Contract for diamond drilling on this property, to prove the depth and values of the ore-body has been closed. and it is understood that the work will be commenced this week.

Satisfactory Progress Being Made on Granada

From Our Own Correspondent.

MONTREAL.—Work on Granada holdings, the old Bathurst property, is progressing rapidly under the supervision of Robert Gamble. The new plant has been in operation for the past two weeks. The shaft reached the depth of 35 feet on Monday last. Mineralization shows a tendency to improve as the shaft goes down. The surface showings on this property were exceptional and the reports from the plant are taken to mean that Granada has discovered real paying ore. Mr. Gamble is enthusiastic over the progress and the showings made to date.

At the present time Granada Company has a crew of twenty men at work. Besides the shaft work some surface trenching is also being done and plans are being made for work on a big scale with the coming of spring. Thanks to a complete plant the progress on these claims has been much faster than on the average. The company is well financed and it is possible for the management to lay out the work for some months in advance.

Questioned as to the values shown in the shaft, Mr. Gamble stated that there was no announcement to make at the present time but that he was well pleased with the assays.

C. W. DOME SELLING

The raid on Consolidated West Dome prior to and following the annual meeting has dried up. Shareholders will now await the adjourned meeting with interest. It was set two months ahead as it was figured that it would take that time to audit the stock books.

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Information received to-day from town of Taschereau, Northern Quebec, says hold your properties as prices are advancing fast, because Harvie-Archean Mines, opening up a veritable Mountain of Ore, will surpass famous Noranda; one group of 4 Claims just sold for $60,000.00; another for $130,000.00—both nearby.

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At the Grace Mine we have commenced sinking to the 500 ft. level, and also drifting on the 300 ft. level, where recently some spectacular gold ore was broken into.

It is the intention of our Consulting Engineer, Mr. W. E. Simpson, M.I.M.M., A.R.S.M., to continue operating on the present plan, and later on to decide on the size of a mill to be erected.

The Governing Committee of the Montreal Mining Exchange have admitted for trading the Common Stock of the Power & Mines Corporation, Limited, and active trading will commence at once.

It is also the intention to apply for listing both in Toronto and New York.

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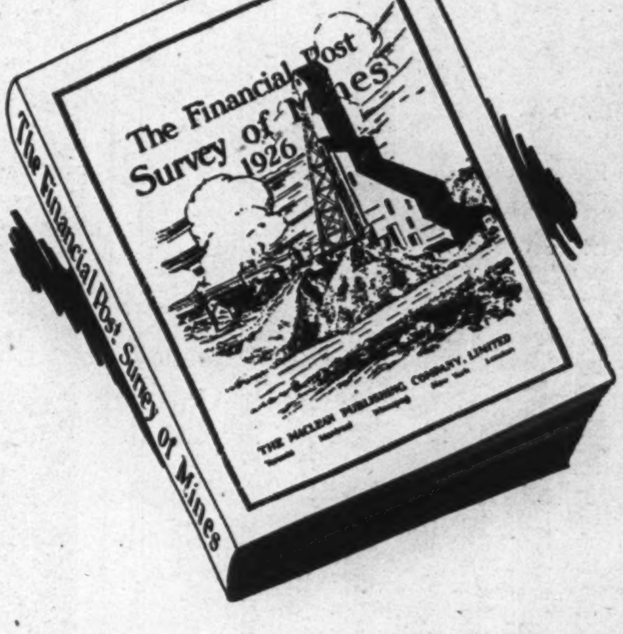
The Financial Post Survey of Mines 1926
The Financial Post Survey of Mines
THE MACLEAN PUBLISHING COMPANY, LIMITED

HAVING sold all of the 8,000 copies of The Financial Post Survey of Mines by the end of last December — within three months from the time it came off the press — our problem was to be able to supply copies to the many who had been disappointed.

Some of the mining companies and brokers, anticipating a shortage, ordered many copies in advance. In January, as some of them had not distributed all of their copies, we succeeded in buying back 500. Out of this 500 we have 83 copies left. If you are interested in the Canadian mines and have not a copy of The Financial Post Survey of Mines we urge that you send in your order immediately.

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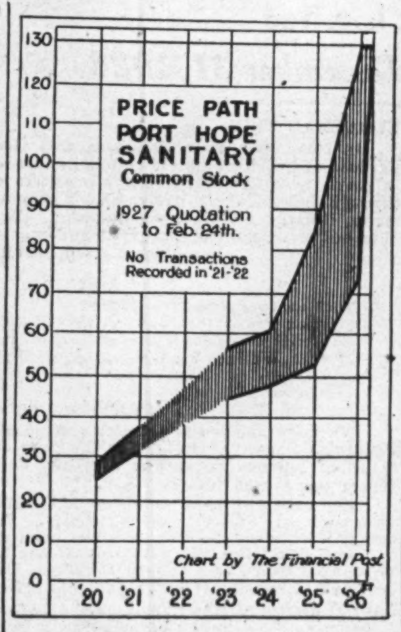
Port Hope Sanitary Co. Common is Stock Which Never Has Had Setback

Average Price Shows Steady Gain Over Period of Years, With Prospect of Betterment, Due to Sound Financing

One of the smaller companies, the common stock of which has many attractions for investment is Port Hope Sanitary Mfg. Co. The prevailing price of this issue yields the purchaser only 2.3 per cent. on his investment on the basis of a $3 dividend. The reason for this low yield is that the investment market is convinced that the company's future is bright because it is well-managed and soundly financed.

The reason for the relatively high price of the common at present is to be found in the balance sheet. The annual report of this company for the year ended January 31, 1927, is reviewed herewith and shows the operations in the last year have been profitable, while excellent progress has been made in rehabilitating a portion of the plant at Port Hope.



Writes Down Goodwill

Since 1924, goodwill in this company has been written down from $206,625 to $1. Other items in the balance sheet indicate the sound condition of the company's finances. A new item in the 1926 sheet was $250,010 representing investments, which is now $435,592.

This company stands very well in the trade and with the public. Its products are sold at somewhat below the duty-paid value of imported goods of similar character and it is apparent that the public has become convinced of the high quality, both as to durability and style, of the bathroom and other porcelain goods. The company has won public goodwill by not taking full advantage of protection afforded by the tariff, although it suffers from the fact that it is a purely Canadian company and can benefit neither from the advertising of American companies in American magazines circulated in Canada nor by use of patterns developed in large parent plants on the other side of the Canadian boundary.

The directors of the company do not encourage the hope that the dividend rate will be increased materially within the near future. But this is another stock the market serenely has been pushing to high figures on the assumption that, in the long run, the shareholders benefit by a conservative dividend policy on the part of the directors.

The immediate future of the stock appears to have been heavily discounted by the market, but it will be noticed that here is a common stock which has been rising steadily ever since it has been on the market. This does not mean that there will not be recessions in the price but it does mean that, so long as the management maintains its conservative policy, the safety of the principal is assured and that there will be ultimately appreciation in the princpal and, perhaps, in the current return.

Kelvinator Installations

Kelvinator of Canada, Toronto branch, reports the sale of several hundred apartment house Kelvinator installations during February.

Builders of apartment houses in Canada have become intensely interested in the question of Electric refrigeration. This is prompted both by their desire to equip them with the most modern conveniences so that they will rent readily and also by the demands of their bankers and the money loaners who now require that this be done.

GAINS OF PORT HOPE SANITARY ARE ASCENDING

Balance Sheet Demonstrates Company's Growing Financial Strength

Port Hope Sanitary Mfg. Co. shows earnings of $11.79 on each share of common stock for the year ended January 31, 1927, after paying preferred dividends and making liberal provision for depreciation obsolescence and income tax and appropriation of $72,000 for extensions to plant and equipment.

Net operating profit totaled $308,773 and interest on investments brought in other revenue of $20,870. From this total of $329,593, appropriations amounting to $223,743 have been made, showing a balance for the year of $105,849. The preferred dividend requirements are $17,458.

This net of $329,593 for the last fiscal year compares favorably with $250,736 for the previous year, and is nearly 80 per cent. ahead of each of the three preceding years.

Working Capital Rises

Inherent soundness of this company is demonstrated by comparison of various items in the balance sheet just published with that of a year ago. The most noteworthy change is in the investment account, which stands at $435,592, compared with $250,930 a year ago. There is a drop in the amount of cash in bank, from $100,071 a year to $53,695, but it is noted that, besides the increased investment, $113,771 was spent on additions to the plant in the year, only $77,000 of which was paid for out of the appropriation from the previous year's earnings.

The relation of current assets to current liabilities continues sound, the former standing at $335,878 and the latter at $87,630. Adding marketable investments to current assets and subtracting current liabilities, shows a working capital of $677,418, compared to $544,286 the previous year. Total assets also have grown from $1,181,630 to $1,337,810.

Profit and Loss

	1926	1925	1924
Net oper. profits	$308,723	$239,692	$181,928
Int. on invest...	20,870	11,045	14,179
	$329,593	$250,737	$196,107
Less:			
Income tax ..	12,633	20,819	12,932
Depreciation ...	63,110	54,762	53,180
Obsolescence ...	74,000	......	......
Goodwill writ. off	......	99,999	106,626
Plant extension	62,000	77,000	......
Equip. extension	12,000	......	......
	223,743	252,580	172,738
Balance	$105,850	x$ 1,843	$ 23,369
Pref. dividends .	17,458	17,458	19,524
Com. dividends .	22,485	......	......
Balance	$ 65,907	x$19,301	$ 3,845
Prev. bal.	34,373	53,674	48,829

Nova Scotia Fish Catch Larger Despite Bad Weather

A large increase in Nova Scotia's fish catch during the month of February is recorded, in spite of a prolonged period of bad weather. The total quantity of all fish landed last month was 4,990,500 lbs., as compared with 3,785,400 lbs. for February, 1926.

Of the total quantity of fish landed, the cod catch was 1,752,400 lbs. and haddock 2,331,100 lbs. The smelt chatch was 108,000 lbs. as compared with 91,700 lbs. for February 1926. The chief catches were: Pictou, 28,500 lbs.; Yarmouth 19,300 lbs.; Lunenburg 10,200 lbs.; Cumberland 10,000 lbs.; Antigonish 9,000 lbs.; Guysboro 8,500 lbs., and Halifax with 7,000 lbs.

While the catch shows an increase, one bad factor is the large supplies on hand, due to the large catches the preceding months. Due to this fact it is understood that very little fish is being purchased along the shore.

Capital: $1,000,000
Reserve: 350,000

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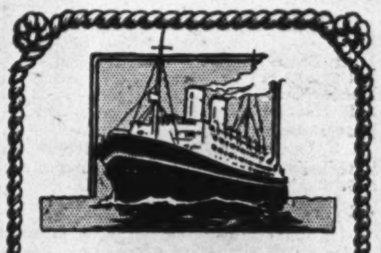

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CANADIAN PACIFIC
STEAMSHIPS

Assets Decline in Month; Bank Loans Tend Higher

Seasonal adjustments in Canadian banking business were responsible for some important changes in Canadian bank assets and liabilities in January, it is shown in the Dominion government bank statement for that month, released this week.

January usually notes a decline in bank assets. It is significant, however, that while total assets declined $120,000,000 in January, 1926, they declined only $47,500,000 in January of this year. And while savings deposits declined $2,600,000 in January, 1926, they increased by $8,700,000 this January.

During the past year a greater advance has been made in loans by the banks than in deposits, in itself a healthy sign and evidence of better business. This is shown in the following figures:

	Jan., 1926	Jan., 1927
Call loans abroad ..	$256,315,760	$290,004,522
Can. call loans	120,402,484	142,204,832
Current loans	869,591,897	962,540,949
Loans abroad	253,197,371	292,841,391
Provincial loans ...	14,937,526	11,068,983
Municipal loans ...	56,112,442	59,434,242
Non-current loans .	9,607,844	8,680,034
	$1,580,165,324	$1,766,774,953
Increase		$186,609,629
Demand deposits ..	$524,008,635	$559,743,610
Savings deposits..	1,316,288,358	1,381,474,773
	$1,840,296,993	$1,941,218,383
Increase		$100,921,390

Thus, while deposits have increased by $100,000,000, loans have increased by $186,000,000. The banks have been able to make effective use of all the new money placed at their disposal and to use profitably an additional $86,000,000 of money formerly on deposit.

The Financial Post's comparative analysis of the January bank statement is as follows:

BANK STATEMENT FOR MONTH OF JANUARY

	Jan., 1927 $	Dec., 1926 $	Change $	Jan., 1926 $	Change $
Immediately Available Liquid Resources					
Specie	68,305,284	72,490,249—	4,184,965	56,611,142+	11,694,142
Dom. Notes	121,233,787	137,734,954—	16,501,167	152,874,479—	31,640,692
Gold Res.	53,360,332	68,810,332—	15,450,000	53,360,332	....
U. K. Banks	11,449,754	14,789,812—	3,340,058	9,487,115+	1,962,639
Foreign Banks	58,811,614	60,749,310—	1,937,696	55,125,822+	3,685,792
For. Curr.	20,172,406	25,980,778—	5,808,372	23,956,602—	3,784,196
Govt. Secs.	314,300,261	304,016,078+	10,284,183	360,139,348—	45,839,087
Call Loans Abroad	290,004,522	272,597,360+	17,407,162	256,315,760+	33,688,762
	937,637,960	957,168,873—	19,530,913	967,870,600—	30,232,640
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	121,856,811	120,249,826+	1,606,985	140,241,430—	18,384,619
Rly. Secs.	59,736,107	59,353,104+	383,003	62,362,788—	2,626,681
Can. Call Loans	142,204,832	150,946,494—	8,741,662	120,402,484+	21,802,348
Current	962,540,949	970,053,595—	7,512,646	869,591,897+	92,949,052
Loans Abroad	292,841,391	269,558,211+	23,283,080	253,197,371+	39,644,020
Prov. Loans	11,068,983	24,569,766—	13,500,783	14,937,526—	3,868,543
Municipal	59,434,242	60,579,212—	1,144,970	56,112,442+	3,321,800
	1,649,683,315	1,655,310,308—	5,626,993	1,516,845,938+	132,837,377
Other Assets					
Non-curr. Loans	8,680,034	8,920,185—	240,151	9,607,844—	927,810
Real Estate	7,876,494	7,907,789—	31,295	8,535,561—	659,067
Mortgages	5,789,482	5,764,377+	25,105	5,047,409+	742,073
Premises	70,511,133	70,426,784+	124,349	72,933,808—	2,382,675
Lets. of Cred.	72,868,642	74,556,068—	1,687,426	69,922,403+	2,946,239
Loans to Comp.	5,243,640	5,420,287—	176,647	4,984,120+	259,520
Other Assets	3,044,413	2,885,732+	158,681	3,337,390—	292,977
	174,053,838	175,881,222—	1,827,384	174,368,535—	314,697
Total	2,761,375,113	2,788,360,403—	26,985,290	2,659,085,076+	102,290,037
Note Cir. Dep.	5,772,776	5,774,935—	2,159	5,804,736—	31,960
Int. Bk. Bal.	125,204,344	145,765,460—	20,561,116	111,056,061+	14,148,283
Gross	2,892,352,233	2,939,900,798—	47,548,565	2,775,945,870+	116,406,363
LIABILITIES TO THE PUBLIC					
Liaility to Government and Circulation					
Circulation	160,439,558	175,083,324—	14,643,766	160,600,699—	161,141
Dom. Govt.	18,992,689	15,633,144+	3,359,545	18,171,261+	821,428
Prov. Govt.	25,022,912	15,764,554+	9,258,358	23,279,340+	1,743,572
Govt. Adv.	10,000,000	11,500,000—	1,500,000	9,000,000+	1,000,000
Deposits by Public					
Demand Dep.	559,743,610	608,889,986—	49,146,376	524,008,635+	35,734,975
Savings Dep.	1,381,474,773	1,372,763,485+	8,711,288	1,316,288,358+	65,186,415
Total	1,941,218,383	1,981,653,471—	40,435,088	1,840,296,993+	100,921,390
For. Dep.	331,490,481	334,458,041—	2,967,560	328,143,851+	3,346,630
Due Banks Abroad, Etc.					
U. Kingdom	4,823,217	7,684,520—	2,861,303	4,861,697—	38,480
Foreign	42,064,081	42,954,564—	890,483	39,477,765+	2,586,316
Bills Pay.	9,032,763	8,937,365+	95,398	12,735,063—	3,702,300
Lets. of Cred.	72,868,642	74,556,068—	1,687,426	69,922,403+	2,946,239
Other Liab.	2,129,356	2,292,131—	162,775	1,916,598+	212,758
Pub. Liab.	2,618,082,082	2,670,517,182—	52,435,100	2,508,405,670+	109,676,412
Due Bet. Bks.	14,379,102	11,713,199+	2,665,903	10,694,170+	3,684,932
Liability to Shareholders					
Dividends	1,336,700	792,084+	544,616	1,336,810—	110
Reserve	125,441,700	125,441,700	......	125,441,700	....
Capital	117,164,660	117,164,660	......	116,164,660+	1,000,000
Gross	2,876,404,244	2,925,628,825—	49,224,581	2,762,043,010+	114,361,234

Saskatchewan General Trusts Corporation

HEAD OFFICE: REGINA, SASK.
Subscribed Capital - - $1,000,000.00.
EXECUTOR ADMINISTRATOR ASSIGNEE TRUSTEE
Special attention given Mortgage Investments, Collections, Management of Properties for Absentees and all other agency business.

BOARD OF DIRECTORS:
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William Wilson Chas. Willoughby W. T. Mollard
E. E. Murphy David Low, M.D. J. A. McBride
J. W. Brown P. S. Stewart J. A. M. Patrick, K.C.
E. E. MURPHY, General Manager.
Official Administrator for the Judicial Districts of Weyburn, Arcola and Estevan.

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CANADIAN PACIFIC RAILWAY

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CANADIAN INFORMATION

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Department of Colonization and Development.
MONTREAL, CANADA. J. S. Dennis, Chief Commissioner.

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A. L. KOYL & COMPANY
General Financial Agents
SASKATOON
First Mortgage Investments, Property Management

Abitibi Power and Paper Company Limited

THIRTEENTH ANNUAL REPORT

For the Fiscal Year Ending December 31, 1926

To the Shareholders of the
Abitibi Power & Paper Company, Limited.

Your Directors herewith submit their report for the fiscal year ending December 31, 1926.

Operations for the year produced net earnings of $4,254,594.80, before providing for interest, income tax and reserves. Net profits, after all charges and reserves, were $2,961,995.07, out of which $70,000 was paid in Preferred Stock Dividends and $1,062,500 in Common Stock Dividends. Surplus for the year was $1,829,495.07, and the total earned surplus at December 31, 1926, after usual current reserves as shown in the attached statement and after transferring from surplus account to depreciation reserve an additional amount of $965,707.43, was $7,847,893.62.

Fixed assets were increased by the expenditure of $1,886,086.58 on the Company's Mills, Railroad, Townsite and new Power Plant. $690,000 of the Company's bonds were paid and cancelled. Current payables were kept to the lowest practicable point, and total surplus and reserves were increased $2,424,528.72.

During the year the Company purchased a substantial interest in Manitoba Paper Company Limited and in St. Anne Paper Company Limited and since the end of the year has acquired complete ownership of the Mattagami Pulp enterprise now known as Abitibi Fibre Company, Limited.

The average production per machine during the year has again shown a substantial increase, which reflects the continued efficiency of your manufacturing organization.

On behalf of the Board of Directors,

ALEXANDER SMITH,
President.

Montreal, March 10, 1927.

BALANCE SHEET DECEMBER 31, 1926

ASSETS

CURRENT ASSETS:		
Inventories at Cost:		
Logs and Expenditures on 1926-1927 Season's Logging Operations	718,981.05	
Paper, Pulp, Material and Supplies	696,217.03	
	1,415,198.08	
Accounts Receivable	1,329,831.37	
Cash on Hand and on Deposit	951,556.22	
		3,696,585.67
INVESTMENTS:		
In securities of other Companies and in the Company's own bonds purchased for redemption purposes		781,187.03
		4,477,772.70
FIXED ASSETS:		
Lands, Water Powers and Timber Limits	7,749,941.23	
Pulp and Paper Mills	18,561,178.30	
Office Fixtures	31,148.18	
	26,342,267.71	
INVESTMENTS IN AND ADVANCES TO ASSOCIATED COMPANIES	3,960,669.13	
		30,302,936.84
OTHER ASSETS:		
Insurance and other Expenses Prepaid		51,097.08
		$ 34,831,806.62

AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the Books and Accounts of the Abitibi Power & Paper Company, Limited, for the year ending December 31, 1926, and have obtained all the information and explanations which we have required; and we certify that, in our opinion, the above Balance Sheet at December 31, 1926, is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us and as shown by the Books of the Company.

PRICE, WATERHOUSE & COMPANY,
Auditors.

Montreal, February 18, 1927.

LIABILITIES

CURRENT LIABILITIES:		
Current Accounts Payable	731,654.61	
Fixed Charges Accrued	236,094.00	
Wages Accrued	47,413.90	
		1,015,162.51
DIVIDENDS DECLARED:		
Payable January 1927		330,000.00
PROVISION FOR INCOME TAXES		185,072.92
FUNDED INDEBTEDNESS:		
Consolidated Mortgage 8% Gold Bonds Maturing March 15, 1931, Balance Outstanding	3,066,600.00	
Underlying 6% Serial and 6% General Mort. Bonds Outstanding	5,877,000.00	
		8,943,600.00
RESERVES:		
For Depreciation and Exhaustion	10,316,441.81	
For Doubtful Accounts	12,451.48	
For Inventories	181,184.28	
		10,510,077.57
SURPLUS AND UNDIVIDED PROFITS:		
As per Detailed Surplus Account		7,847,893.62
CAPITAL:		
Seven Per Cent. Cumulative Preferred Stock—Authorized and Issued—10,000 shares of $100.00 each		1,000,000.00
Common Stock—Authorized and Issued—250,000 shares of no par value........		5,000,000.00
		$ 34,831,806.62

CONTINGENT LIABILITIES:

Bonds and other obligations of the Abitibi Electric Development Company, Limited, Abitibi Lands & Forests, Limited and the Abitibi Transportation & Navgation Company, Limited, guaranteed by the Company to the extent of $2,052,710.17

Approved on behalf of the Board,

L. R. WILSON,
Director.

VICTOR E. MITCHELL,
Director.

PROFIT AND LOSS ACCOUNT

For the Year Ending December 31, 1926

Profit before Depreciation, Interest and Income Taxes...............	$4,254,594.80
Provision for Depreciation and Exhaustion...................	597,818.90
Profit before Interest and Income Taxes...................	$3,656,775.90
Interest on Funded Debt, less Interest Received...................	539,780.83
Profit before Income Taxes...................	$3,116,995.07
Provision for Income Taxes...................	155,000.00
	$2,961,995.07

SURPLUS ACCOUNT

Net Profit as above...................		$2,961,995.07
DEDUCT:		
Dividends on:		
Preferred Stock	$ 70,000.00	
Common Stock	1,062,500.00	
		1,132,500.00
		$1,829,495.07
Surplus as at December 31, 1925...................		6,984,105.98
		$8,813,601.05
Transferred to Depreciation Reserve...................		965,707.43
Surplus as per Balance Sheet...................		7,847,893.62

Investigation Proves Immigrant an Asset and Not a Liability

Survey Shows That Settler Has an Actual Value in Dollars and Cents Which Makes It Desirable to Encourage Movement

By JOHN E. LANGDON.

Third of a Series of Articles on Immigration.

Every immigrant entering Canada is a unit of great potential value, both as a citizen and as a producer. This fact is too often overlooked by those opposed to any movement on a large scale. The newcomer enters the country with a limited amount of worldly possessions and frequently further handicapped by a lack of of knowledge of our language and customs. For a time he is a public charge—a charge in the sense that he must be taken care of until he can get his bearings and given a proper start in his new life. Ten years later he has developed into a good citizen and is doing his part in bringing about the development of the country's natural resources. He is looked upon as an asset, not a liability.

The task of populating Canada has fallen to three organizations, namely, the Federal Department of Immigration and Colonization and the two national railways. The former operates on a purely departmental basis and carries out its duties to the best of its ability, being mainly interested in seeing that the regulations are enforced. The latter are engaged in this work, not from any altruistic motives, but from the standpoint of dollars and cents. It is a good business for them to bring settlers to cultivate the lands along their lines as they become producers, for freight has to be handled and consequently earnings show a proportionate increase.

Monitary Value of Settler

It is purposed in this article to show the importance of the immigrant from a monetary standpoint. As a citizen his value is in his example, his health, his loyalty and in his home life. There is no method of computing his worth on this basis, but from the viewpoint of earnings and his value as a traffic producer to the railway, one can make a fairly accurate estimate of his potential and actual value.

Authorities hold to the view that if a certain number of average settlers on Western farms were interrogated and the history of their operations since they began to farm, with the estimated production and disposition of their products, machinery, equipment and supplies purchased, etc., taken as a basis, it would then be possible to figure out a fairly close estimate of the amount of their value to the country and incidentally to the railways. This figure would then be applied to the total number of settlers, who had been induced to locate on Canadian farms in a given period and the sum total of their value reckoned.

Others do not favor their method, though there is one point in connection with the matter which must not be lost sight of and it is that a settler is worth to Canadian railways much more in the way of furnishing traffic than he individually contributes. In other words, there should be credited to settlers in the three prairie provinces practically the total revenue traffic of the railroad originating in that territory, for if there were no settlers, there would be no railways or traffic. This viewpoint is, however, theoretical and has no practical bearing on the subject.

Investigation Made by Railway

A short time ago, the Canadian Pacific Railway undertook to make an intensive survey of this question and to find a basis on which they could calculate the value of a settler. The basis agreed upon was the percentage of all its freight traffic obtained from agriculture (horses, cattle, sheep, pigs, wheat, oats, barley, flax, etc.), coal, in and out-going passenger revenue, and divide the number of settlers into the figures given. Employing statistics of the Railway Commission and figures obtained from its own records, the exact percentage was worked out.

Revenue from the four classes of freight mentioned was compiled for the five-year period from 1916 to 1920 and the total divided by the estimate number of farmers in the three Prairie Provinces, which gave a gross value in round figures of $750 per annum. Capitalized at a nominal interest rate, therefore, the value of each settler to the railway is $13,500. This figure, of course, does not take into consideration the cost of handling this freight nor the railway's profit. If working expenses are taken from the gross income for this period, we find the percentage is 23.8, which makes the net value of each settler $2,960, or $177 a year.

It is further estimated that since 1881, when the Canadian Pacific first undertook active colonization work, up until 1919 settlers brought in by the company have created in net traffic returns, a figure of approximately $157,363,000.

Complete Survey Not Feasible

These calculations refer only to the work of one organization and do not take into consideration the large number of settlers brought in and settled upon farm lands by the Dominion Government and the Canadian National, not only in Western Canada but also in the Eastern provinces. If it were possible to conduct a survey of all the provinces, some surprising figures would be obtained on the amount of wealth created by settlers and also in regard to their expenditures on freight, food, rent, clothing, machinery, household equipment, lumber, etc.

The foregoing estimate of the value placed on a settler by the Canadian Pacific, should convince even the most skeptic of the paramount importance of encouraging the movement of immigrants to Canada. The present method of handling newcomers and placing them on farms, has and is working out satisfactorily. But the numerous restrictions enforced by the Federal Government in regard to the type that can enter the country, has tended to limit the movement. The development of the Dominion would be more rapid if more leeway were allowed in selecting the people we want as future citizens of the Dominion.

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ROYAL TRUST Co
EXECUTORS
AND
TRUSTEES

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Report of the Directors to the Shareholders of

BRITISH COLUMBIA FISHING and PACKING Company, Limited

For the Year Ended December 31, 1926

Vancouver, B. C.
March 4th, 1927.

Herewith we submit to you the operations of your Company for the year 1926.

CAPITALIZATION:

The increase in the Capital Stock issue arises from 6,886 shares being issued and used in part payment of the purchase of the Wallace Fisheries, Ltd., shares, control of which was secured last summer. This will be dealt with more particularly later in this Report.

PLANTS OPERATED:

	B. C. Fishing & Packing Co., Ltd.	Wallace Fisheries, Ltd.
Canneries	16	7
Oil and Meal Plants	..	2
Mild Cured	1	1
Dry Salteries	..	2
Total	17	12
Grand Total	29	

PACK:

	B. C. Fishing & Packing. Co., Ltd. Cases	Wallace Fisheries, Ltd. Cases	Grand Total Cases
Total	341,316	189,976	531,292
Mild Cured Salmon (Tierces	530	377	907
Oil (Gallons)	...	258,970	258,970
Meal (Tons)	...	1,183	1,183
Salt Herring (Boxes)	...	19,506	19,506
Miscellaneous (Lbs.)	...	3,610,840	3,610,840

Following the usual practice in the past, our Canneries, Plants and Vessels have been kept up in the highest state of efficiency and have this year spent $106,576.79 in this direction.

PROFITS:

It must always be borne in mind that whilst the total pack may be equal to or larger than that of a previous season, the net value to any operator is governed by the volume of its Sockeye pack, as this variety represents so much more money per case than any other variety. This year, whilst we have had a larger total pack in British Columbia than any previous season, our Company's Sockeye pack is 24,000 cases short of the previous season. However, we are glad to report that your Companies securied 40 per cent. of the total Sockeye pack of the Province.

After making ample provision for reserves and all fixed charges, our net profits have been $345,261.71.

At the same time our proportion of the net profits made by the Wallace Fisheries, Ltd., amounts to $154,033.00, or the two together, the sum of $499,294.71.

It must be borne in mind that our interest in the Wallace Fisheries, Ltd., profits is not at present available for dividend purposes, as that Company is not in a position to pay dividends until it has built up a larger cash surplus.

LIQUID ASSETS:

By the statement you will observe that our liquid position is very strong and it is our purpose, so long as we remain in office, to adhere to this policy.

CURRENT AND CONVERTIBLE ASSETS:

Are represented by:

Cash	$ 10,511.65
The amount of Accounts Receivable	198,200.19
Inventories and Salmon sold and unsold	1,862,311.42
Gov't Municipal and Indus. Bonds readily marketable	455,707.25
Total Liquid	$2,526,730.51

SHARES IN OTHER COMPANIES:

Stocks of subsidiary and controlled Companies	$1,515,591.24

PROPERTY ACCOUNT:

The book value of our Fixed Assets, viz., real estate, buildings, machinery and plant, $3,531,652.85, we consider a conservative valuation, as a going concern, from two standpoints:—

1. Replacement value.
2. Profits, which represent 15 per cent. return on this investment.

We have, however, built up a Depreciation Account of $1,000,000.00 which is dealt with later under the head of "Depreciation."

LIABILITIES:

Our Liabilities, you will observe, are confined practically to our banks: Accounts Payable being always a current monthly item. The Bank Loans are $1,020,000.00, covered by Salmon and other of our products which are sold but not yet delivered and paid for (on the date of this statement) and is offset in the contra item of "Salmon Sold and Unsold" and "Accounts Receivable" appearing in our Assets as $1,507,308.71.

DEPRECIATION:

The Reserve for depreciation of our property account now stands at $1,000,000. In our opinion (as a going concern) this provision is ample.

MARKETS:

The markets for the past year have generally been in a most healthy condition.

The uncertainty in value of Continental exchanges has retarded the normally free distribution of Canned Salmon on those markets, and we cannot look for material improvement until such factors become more stabilized.

The English market has also bought sparingly our lower priced grades of Salmon owing to more favorable terms procurable from foreign sources.

The above conditions have resulted in a heavier carryover of Pinks and Chums than anticipated.

Our fish oil and meal have been disposed of at satisfactory prices.

WALLACE FISHERIES, LIMITED:

For some years the acquisition of the above Company has appeared to your Directors as a desirable combination, as their plants did not conflict with ours and were engaged in a somewhat different line of business, but for one cause or another it was not possible to come together on mutual grounds, but last year negotiations were resumed which resulted in a purchase of the controlling interest of the Wallace Fisheries, Limited, by this Company. Our valuation of its assets was $1,490,740.00.

The net result of our Agreement to purchase has been a cash payment of $178,000.00 and 6,886 of our shares, subject to their liabilities of $709,674.00 which we guaranteed. There still remains a minority holding of 2,147 shares, or 13.3%.

The value of this purchase to our Company has been amply demonstrated by the results this season. The control of that Company at once provided us with two modern, well situated Pilchard Oil and Meal plants on the West Coast of Vancouver Island and other fishing activities carried on at these points, together with the very desirable plants at Claxton on the Skeena River and elsewhere. These advantages must be apparent, viz.:

The acquisition of a going concern in a line of endeavour that we, ourselves, were contemplating.
Saving of duplication.
The more economical operation of both Companies.
The removing of a strong and aggressive competitor.

The Profits this year of the Wallace Fisheries are not a formal part of our Statement. They amount to $177,650.00* and, as we own 86.7 per cent. of the Wallace shares, it means that our interest in its profits is $154,033.00.

The benefits from the co-operation of these Companies were not fully felt last year, as the season's operations had already been planned for both Companies and contracted for. Next year greater economies can be effected, of advantage to both Companies, as the result of single control.

*Not yet audited.

NEW PLANTS:

Last year we built a new plant at South Bay, Queen Charlotte Islands, contracts for which had been made before the acquisition of the Wallace Fisheries. This field we entered in order to obtain a larger quantity of the excellent "Queen Charlotte Island Pinks."

We have also turned our Celtic plant on the Fraser River into a shipyard where all our floating property can be wintered and repaired under the supervision of our own experts.

SPECIAL GENERAL SHAREHOLDERS' MEETING:

Shareholders will please note that a Special General Meeting of Shareholders of the Company has been called for the same date as that on which the Annual Meeting will be held.

This Meeting has been called primarily for the purpose of laying before the shareholders proposals for the conversion of the existing Capital Stock of the Company into Preference Shares and shares of no par value, so that each present shareholder will receive one half of a Preference Share of par value of $100.00 and two Common shares without nominal or par value, for each share of stock now held.

In submitting the proposals to the Shareholders, the Directors believe that the action suggested is in the interests of the Shareholders as a whole and they recommend that they be adopted.

The Special Meeting will also be asked to authorize by Resolution the payment of such special compensation to the President of this Company as the Shareholders may approve, in recognition of his services in enabling this Company to acquire a controlling interest in the shares of the Wallace Fisheries, Limited. In the opinion of the other members of the Board, the consummation of the transaction was secured through the untiring efforts and expenditure of great energy and tact on the part of the President and that it is one of the best transactions ever accomplished on the Company's behalf and that he will thoroughly deserve such recognition of his services as the Shareholders may be pleased to approve. The Directors are satisfied that the results of the acquisition of the control in question will prove a source of much profit to our Company.

EUROPEAN TRIP:

In November your President and General Manager went to Europe for the purpose of brushing up old connections, seeking out new ones and generally getting in touch with the users of our products which heretofore have been largely sold through intermediary countries. The countries visited were Italy, France, Germany, Holland, Belgium and England. Most substantial results have already been obtained as a result of this visit and greater are still looked for.

On behalf of the Board of Directors,
F. A. WYLIE,
Secretary.

Note as to Profits for 1926:

Net Profit for 1926, as per Statement	$345,261.71
Add: Company's proportion of Profits of Wallace Fisheries Ltd., in 1926; (approx).	154,033.00
	$499,294.71

CERTIFICATE OF AUDITORS

We have audited the books and accounts of the British Columbia Fishing & Packing Company, Limited for the year ended December 31, 1926, from which the attached Balance Sheet was prepared and submitted to us for examination. We report thereon as follows.

The cash and bank balances and securities owned have been verified by count or inspection or by certificates obtained from depositaries. We have satisfied ourselves that adequate provision has been made for doubtful accounts receivable.

The quantities and valuation of the inventory of Canned Salmon on hand and on consignment, of Cannery Supplies, Lumber, Logs, Nets and Stores have been certified to be correct by responsible officials. The stocks of Canned Salmon sold, but not delivered, and unsold stocks have been valued at market price, less suitable allowances for commission on sale and handling charges. Consignment stocks were valued at sale price plus freight. Cannery Supplies, Lumber, Logs, Nets and Sundry Stores on Hand have been priced at laid down cost to the Company, or at market, whichever was lower.

The expenditures capitalized during the year as representing additions to fixed assets are in our opinion properly so chargeable. Other than a sum of $6,893.75 no provision has been made during the year 1926 in respect of depreciation as the Directors have formally resolved that the Reserve for Depreciation which now stands at $1,000,000.00 is sufficient.

All ascertained liabilities, both direct and contingent, have been included in the accounts.

No sum has been incorporated in the Balance Sheet as representing the British Columbia Fishing & Packing Company's share of profits earned by the Wallace Fisheries, Ltd., since the date of investment in that Company's stock.

We have obtained all the information and explanations we have required for the purpose of our audit of the Company's accounts. Subject to the above observations, the attached Balance Sheet in our opinion is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs as at December 31, 1926, according to the best of our information and the explanations given to us and as shown by the books of the Company.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

Vancouver, B.C., February 25, 1927.

BRITISH COLUMBIA FISHING AND PACKING COMPANY, LIMITED

BALANCE SHEET

As at December 31, 1926

Assets

Current:				
Cash on Hand and in Bank				$ 10,511.65
Accounts Receivable, less Provision for Doubtful Accounts				198,200.19
Customs Drawback				7,250.00
Inventories:				
Salmon on Hand:				
Sold, and unsold but not yet delivered			$1,287,135.21	
Consigned for sale			21,968.50	
Total Salmon on Hand			$1,309,103.71	
Cannery Supplies, Lumber and Logs, Nets and Stores			553,207.71	
				$1,862,311.42
Investments:				
Dominion Government, Municipal and Industrial Bonds—At par value and accrued interest. (Market value $289,416.36)			282,270.35	
Bonds of Controlled Companies held for resale—At Cost			173,436.90	
				455,707.25
Total Current Assets				2,533,980.51
Prepaid Charges:				
Unexpired Insurance			$ 6,482.44	
Advance Expenditure on 1927 Pack			29,594.79	
				$ 36,077.23
Investments in Stocks of and Advances to Controlled Companies:				
Investments in Stocks—At Cost			$ 883,966.57	
Advances, less Reserve			631,624.67	
				1,515,591.24
Fixed:				
Real Estate, Buildings, Plants, Machinery and Equipment, Brands, Etc.				3,531,652.85
				$7,617,301.83
Liabilities				
Current:				
Bank Loans (Secured by charge under Section 88 of the Bank Act)				*$1,020,000.00
Accounts Payable and Accrued				61,043.93
Income Taxes—Estimated				65,742.54
Total Current Liabilities				$1,146,786.47
Capital Stock:				
Authorized:				
50,000 Shares of $100.00 each			$5,000,000.00	
Issued and Fully Paid:				
As at December 31, 1925 42,918 Shares			$4,291,800.00	
During year ended Dec. 31, 1926 6,886 "			688,600.00	
Total Capital Stock Issued				4,980,400.00
Reserve for Depreciation on Real Estate, Buildings, Plant, Machinery, Equipment, Etc.				1,000,000.00
Surplus:				
Insurance Reserve (Not available for Dividends)			$ 102,921.90	
From Operations:				
Operating Profits 1926 before charging Maintenance Costs, Taxes, Depreciation, Etc.		$541,669.03		
Deduct:				
Maintenance Cost of Plants	$106,576.79			
Loss on Francs	18,405.14			
Depreciation provided	6,893.75			
Taxes—Estimated	64,531.64			
		196,407.32		
Net Operating Profit, Year 1926		$345,261.71		
Add:				
Surplus, Dec. 31, 1925	$256,521.75			
Less Dividends paid in 1926	214,590.00			
		41,931.75		
			387,193.46	
				490,115.36
Contingent Liabilities:				
Time and Sight Bills and Drafts on Customers discounted with Bankers			$ 424,488.77	
Bank Loans and Credits to Controlled Companies—Guaranteed			607,370.58	
Bonds and Debentures of Controlled Companies—Guaranteed			654,408.00	
			$1,686,267.35	
				$7,617,301.83

Signed on behalf of the Board of Directors
ÆMILIUS JARVIS
A. C. FLUMERFELT

*Reduced to approximately $400,000.00 March, 1927.

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Besco's Reorganization May be Brought About by Present Application

If Application Granted, Reorganization May Proceed

SITUATION INVOLVED

Trust Company Declares Preferred and Common Stocks of D.I. & S. Are Valueless

Calgary Bull Sale is World's Largest

Again Calgary maintains its world record for holding the largest annual auction sale of purebred bulls held anywhere in the world. A total of 661 bulls have been entered by 163 breeders from all parts of Alberta, even from further north than Peace River. Only on two occasions have larger entries been received.

From Our Own Correspondent

MONTREAL. — At first glance the application of the National Trust Company to the Supreme Court of Nova Scotia to wind up the British Empire Steel Corporation would seem to alter materially the position of the holders of the securities of Besco and its subsidiary companies. But in reality, the application, if granted, seems to be the first step towards a complete reorganization of Besco and its subsidiaries.

The National Trust Company, as trustee for the bondholders of the Dominion Iron and Steel Company, holds as collateral for the bond issue a large block of Besco common stock. As a shareholder in the parent organization, the National Trust believes that it is qualified to ask for the winding up order.

Also the Dominion Steel

In addition, the trust company has asked for the winding up of the Dominion Steel Corporation, the largest subsidiary of Besco. This company owns all the common stock of two of Besco's largest subsidiaries, namely, the Dominion Coal Company and the Dominion Iron and Steel Company.

The National Trust Company has made no announcement regarding the application, but presumably the trust company feels that little can be accomplished to help the Nova Scotia steel and coal industry until such time as the companies get their capitalization down to a basis compatible with the earning power of the various properties. At the time of the formation of the Besco merger, a lot of water went into the various grades of stock; due to many factors, the merger has not worked out as was anticipated and the earning power of the properties is quite out of line with their capitalization.

Would Improve Position

There is, of course, nothing wrong in the fact that the Besco securities are watered, but there seems no doubt that the Federal government would view legislation to help these industries more favorably if the stock were de-watered and the capitalization of Besco and its subsidiaries were scaled down to a rock bottom basis. If this should be done, none could claim in the future that the industries were being kept alive simply to keep a value behind watered securities. These presumably are some of the motives underlying the application of the National Trust Company.

It is impossible, of course, to say whether the courts will grant the application of the trust company, but it is obvious that such an application is no mere gesture on the part of the National Trust Company and that the company feels that there is every chance of the courts complying with its demands. Should the application be granted, a liquidator will be appointed.

Many Securities Valueless

In its application to the courts, the National Trust Company filed an affidavit which said that the preferred and common stocks and income bonds of the Dominion Iron and Steel Company are valueless, and that therefore the burden of the re-organization must fall on the consolidated mortgage bondholders of the Dominion Iron and Steel Company.

In his affidavit filed with the application, J. M. MacDonnell, Montreal manager of the National Trust Company, said that in his belief to preserve the security of the mortgaged assets the winding up of the British Empire Steel Corporation is a necessity.

Should the application be granted, it would mean that a liquidator would be appointed to wind up the British Empire Steel Corporation and the Dominion Steel Corporation.

Assets Would be Sold

Besco owns all the common stock of the Dominion Steel Corporation which in turn owns all the common stock of the Dominion Iron and Steel and the Dominion Coal. If appointed, the liquidator would take steps to sell the assets of these two companies. The Dominion Steel Corporation's assets consist of securities of its subsidiaries and the assets of Besco consist entirely of securities also. The sale of the assets of Besco and its largest subsidiary, the Dominion Steel Corporation, would technically be a sale, but in reality it would work out in the form of a complete reorganization, not only of these two companies, but probably of the whole complicated chain of Besco's subsidiaries. To work out a reorganization at the present time it would be necessary to ask practically all the holders of securities in all the companies to make certain compromises, but should Besco be liquidated by a court order it would mean that perhaps the reorganization might be expedited due to the pressure of the court.

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THE NATION'S BUSINESS

(Continued from page 1)

dian business man. One of the essential features of any taxation policy should be an even, indiscriminatory enforcement. We have not had that in Canada, as the customs probe and these revelations regarding sales tax defaults have clearly indicated.

An immediate result of efficient management of the Department of National Revenue will undoubtedly be a substantial increase in the government revenues. Recoveries of arrears and evasions will more than pay for the expense of the customs probe and of reorganization, and through enforcement will enhance subsequent revenues.

Mr. Euler has proven to be a distinct "find."

* * *

MONTREAL'S city council has finally approved of the purchase of the water works distribution system of the Montreal Water and Power Company at a price of $14,000,000. The action was taken against the advice of the Montreal Board of Trade and of many leading business men of Montreal, who have felt that the price paid was unreasonably high. The fact that the vendors of the property acquired it only a few months ago at about $9,000,000 is not the only evidence submitted that the price was too high. The Montreal Board of Trade had an auditor's report prepared that demonstrated rather convincingly that the city was not making a good purchase at the price.

Criticism of the transaction has been directed not only at the City Fathers of Montreal, but also at the vendors of the property, of whom the chief, certainly the most prominent, was Senator Lorne C. Webster. Many people felt that Senator Webster had no moral right to make such a profit on the deal in such a short space of time and so expressed themselves.

* * *

A NUMBER of good friends of both Senator Webster and The Financial Post have protested against the tone of an editorial in our issue of a week ago, in which we joined in the criticism of Senator Webster and the group that sold to the city, at the equivalent of $177 a share. They point out that Senator Webster did not put the city in the position of having to accept that price; that the offer to purchase came from the city council and that the price at which the deal went through was based upon the city's offer. Under those circumstances, they feel Senator Webster is not open to criticism; that an injustice has been done.

Much of the criticism of Senator Webster has gone wide of the mark and it may be that some of the comments of The Financial Post have left an impression that The Post would not willingly convey.

We do not feel that Senator Webster and the vendor group were guilty of any unfairness towards the people from whom they bought the property at $85 a share. These investors were glad to get that price, which was well above the market price. Nor do we feel that he was not within his rights, legal and perhaps moral as well, in making the best bargain he could for the sale of the property, especially when that bargain consisted of accepting an offer made by the city.

* * *

BUT is there not a broader principle involved? The principle of public service; the principle of fulfilment of the public trust that rests upon each man who has attained wealth, position and prominence? The vendors were not dealing with the citizens of Montreal. In being party to a transaction that is hard to defend on grounds of public policy, were they not in the position of having to consider the action that would be fairest in the public interest and most expedient from the standpoint of capital in general?

* * *

THOSE who deal with public bodies or even with the general public have much to gain from considering themselves as public trustees; from seeking only a fair return on their investments and speculations; from making a success of our present social system, which is a capitalistic system.

liest spirit towards Senator Webster, believes that there may be some ground for feeling that in the Montreal Water and Power transaction there was too much thought for the immediate gain and too little thought for the good will of the public.

* * *

POSSIBILITY of a complete preferential system being established in the British Empire is seen in a League of Nation's bulletin that discusses Canada's preferences. This bulletin covers world-wide trade problems and was prepared by Eugene Grossman, professor of political economy at Zurich University. It is part of the preparatory material for the International Economic Conference soon to be held at Geneva.

Prof. Grossman says:

"The burning question of the day is to what extent Great Britain can and will respond to the advances made by the Dominions. In 1919, reductions of one-sixth to one-third in customs duties were granted on certain goods imported from the Dominions, especially tea, coffee, cocoa, sugar, and certain manufactured articles, such as motor cars, watches and cinema films. The Imperial Conference of 1923 proposed the addition of tobacco, dried and preserved fruits, honey, salmon, etc. These proposals did not wholly satisfy the Dominions, which would have preferred the preferential system to be extended to their essential exports, such as cereals, meat, etc. The situation became still worse when, in 1924, the Labor Government suppressed the so-called McKenna duties (on motor cars, watches, etc.), and with them, of course, the preferences on those articles in favor of the Dominions. In November 1924, the Conservative Party returned to power; the preferential duties recommended by the 1923 Imperial Conference were ratified, and the McKenna duties were reinstated as from July 1st, 1925.

"No one can foresee the future evolution of the imperial preference in the British Empire. If the present protectionist tendencies in Europe and America persist and become accentuated, the time will no doubt come when a complete preferential system will be established within the British Empire."

Montreal Life Writes $8,000,000 New Business

During 1926 the Montreal Life Insurance Co. wrote new life insurance amounting to $8,145,023, the largest amount of insurance ever written by this company. The total amount of insurance now in force amounts to $28,023,812. Other figures issued by the company show that assets are increased by $471,644 during the year and now stand at $3,415,618. Policy reserves are also increased considerably and now amount to $2,886,344. The interest earned on the company's investments, all of which are held in Canada, amount to 6.28 per cent. The company organization has been extended to Western Canada and branch offices are now operating in Regina, Vancouver, Edmonton and Calgary. Mortality experience at 28.68 was the best in the history of the firm.

The Montreal Life, whose head office is in Montreal, was formerly known as the Travellers' Life Assurance Co., but changed its name in 1924. H. B. Wickes, actuary of the company has also been appointed secretary. Comparative figures for the last two years are as follows:

	1926	1925
Insurance in force	$28,023,812	$24,629,972
Policy reserves	2,886,344	2,437,790
Total assets	3,415,698	2,944,054
Net prem. and interest receipts	941,213	856,106

International Loan's Position

At annual meeting of International Loan Company, held in Winnipeg, Dr. G. W. Argue, managing director, stated that at the close of the year practically all the funds of the company were loaned, only $1,600 remaining in the banks. The loans of the year amounted to $101,952, and the total value of the properties held as securities amounted to $257,546. The total first mortgages held by the company amounted to $709,536, which was $58,610 in excess of the paid capital.

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LOAN COMPANIES WIN INCREASE IN BORROWING POWER

Ottawa Thrashes Out Many Fine Points On Licensing

Staff Special.

OTTAWA.—For the past two weeks the attention of trust and loan companies has been focused on the bills respecting these companies which are now before the Dominion parliament at Ottawa. The bills have been before the Standing Committee of Banking and Commerce, and many meetings have been held in an endeavour to come to conclusion on the principles involved.

The chief bone of contention is a bill to amend the Loan Companies Act. This drill may be divided into three sections. according to the three distinct principles which it involves.

The first principle provides that loan companies must hold an annual meeting; the second that they may, under certain conditions, extend their borrowing power; and the third that they must be annually licensed by the Superintendent of Insurance, acting through the Minister of Finance.

The Chief Issues Involved

As a result of the previous sittings of the committee, a few main issues had emerged above the war of verbal combat. Of these, there was the general question of the "constitutional status" of the law; then the question of borrowing powers; and thirdly, licensing.

Amendment "Intra Vires"

The constitutional question was whether or not the proposed law was within the jurisdiction of the Dominion government. Saskatchewan and Ontario claimed that the law was "ultra vires" the Dominion government. However, the committee has rejected a proposal that the issue be referred to the Supreme Court of Canada. Hon. J. A. Robb stated that he believed the institutional point was a deliberate drawing of red herrings across the trail.

The amendment to provide that loan companies might extend their borrowing power to eight times their paid-up capital and reserves, instead of four times that amount, as is now the case, was modified after discussion. Those who opposed the new power claimed that only two of the sixteen companies under Dominion jurisdiction, seriously needed extension of their borrowing power, and that only one of these, the Huron and Erie Mortgage Corp., had actually reached the limit of its powers. Furthermore it was argued that no companies had as yet issued more than a fraction of their capital stock and that if there was any real need for increased borrowing power, the companies could increase their capital stock outstanding and use the existing legislation to borrow more money. An analysis of the sixteen companies showed that out of $151,000,000 available for borrowing under the present act, only $71,000,000 had actually been borrowed. Another point that was emphasized was the contention that since the additional borrowing power would only be used by one or two companies, the ultimate effect would be to drive business more and more into the hands of the large companies, and increase the pressure on the small companies.

Compete With Foreign Companies

On the other hand, those who supported the new legislation claimed that the large Canadian companies were actively competing with foreign companies which had no limits on their borrowing power. Another argument was that the new legislation would enable well-managed companies to borrow more money at a cheaper rate.

It was admitted that very few of the companies had issued the full amount of their authorized capital stock, and this for the following reason: companies with a dividend rate of 6 per cent. could not issue stock and pay that amount under present mortgage conditions. In the open market 5 per cent. would have to be paid for money, and good mortgages usually returned 6 per cent. or 6½ per cent. It was cheaper to borrow by deposits and debentures, than to issue stock on a 5½ or 6 per cent. basis.

Another argument was that the new legislation would permit Canadian companies to expand into foreign fields, and compete with other companies whose borrowing powers were unhampered. It was shown, also, that the law as it now stands has driven many loan companies to seek trust company charters. A trust company has unlimited borrowing power.

It was finally decided that the new ratio of borrowing power should be raised from four to five, instead of to eight as originally suggested in the bill. The committee also decided that all stock and debenture holders, whether in Canada or abroad, must be notified at least 60 days before the date of the meeting which would authorize the change.

The question concerning the licensing of loan companies may well be called the "major" issue of the series. This was brought to a head some years ago when the Great West Permanent Loan Co. incurred the displeasure of the authorities at Ottawa by alleged misstatements in its balance sheets and statements. The company has ignored the department at Ottawa and has continued to do business. The Superintendent of Insurance has been unable to prohibit the company from doing business because of the fact that they are operating under a charter which precedes the period over which the Superintendent has jurisdiction.

The most recent result of the controversy is the licensing bill which now appears before parliament. This bill gives the Superintendent of Insurance the power to issue an annual license to all loan companies under his jurisdiction, and to cancel such license if he, together with the Governor-in-Council and the Minister of Finance, considers that the company is financially unsound.

According to the original amendment there would be no appeal from this decision, and in spite of repeated efforts during the last two weeks, the bill is now no further ahead than it was a month ago—except, perhaps, that the constitutional issue has been removed. Two attempts at compromise have been made, both of which would provide a means of appeal from the decision of the departmental authorities. One amendment provided that any company which failed to obtain a renewal of its license might have an appeal to the Governor-in-Council. The other amendment would have made possible an appeal to the Exchequer Court.

Four or five of the company's lawyers have presented the case for the company—claiming that they are still doing business in spite of the deliberate attempts of the department to put them out of business. Those who argue on the side of the government admit that the powers under the proposed bill are somewhat drastic but maintain that the act is undeniably in the public good. It was also pointed out that the power which the minister asks is similar to that exercised by provincial registrars in most of the provinces.

The government issued a statement both to the company and to the members of the committee, showing what they believe to be a correct analysis of the company's experience during the year 1926. The statement shows an actual total loss for the year of $240,000, as against a profit claimed by the company of $32,000. The officials of the company deny the truth of the statement.

The company claim that they should not be declared insolvent by any government official but that the whole matter of insolvency should be decided by judicial rather than by political or departmental decree. In the event of the passing of the amendment, allowing an appeal to the exchequer court, the upholders of the present bill maintain that the company might easily tie itself up in litigation for several years, irrespective of the public good. To put the matter of an appeal in the hands of the Governor-in-Council would not remove the objection to the bill, because the cabinet (or Governor-in-Council), in order to sustain the appeal, would have to go against the advice of the Minister of Finance and his advisors. The Superintendent of Insurance and the Minister of Finance have one inevitable reply to the attacks of their opponents—"it is for the public good."

Summary of Legislation

Briefly, the purpose, import and progress of the bills, is as follows:

"Bill to Amend the Loan Companies Act": This bill contains three general principles, two of which have already passed the committee, but the third (which has been one of the chief sources of contention), has at the time of writing yet to be accepted. The first principle is that all loan companies coming under Dominion jurisdiction must have an annual general meeting at the head office of the company, at least once a year, at which must be submitted a statement of the affairs of the company. Furthermore, notice of such meeting must be signed by the officers of the company and sent to shareholders at least ten days before the meeting is to be held. This principle has been approved by the committee.

The second general principle is embodied in an amendment to permit the increase, by by-law, of the borrowing power of loan companies. At present, such borrowing power is limited to four times the actual paid-up and unimpaired capital stock and reserve. The new amendment which was finally carried by the committee, provides that the company may by a three-fourths vote of the shareholders, and subject to the approval of the Treasury Board, pass a by-law to increase such borrowing power to five times the paid-up capital and reserve. As originally drafted this bill provided that borrowing power might be extended to eight times the capital and reserve of the company.

The third principle centres around the annual licensing of loan companies by the Superintendent of Insurance. The bill as drafted provides that no loan company, which comes under Dominion jurisdiction, may carry on business without a license from the Minister of Finance. The limitations and conditions of such a license are to be determined by the Minister, and a list of all companies so licensed shall appear yearly in the Canada Gazette.

In conformity with this licensing power the Act is further amended so that the superintendent may investigate any company which he believes to be unsound, and may (if the Minister of Finance and governor-in-council are agreeable), suspend or cancel the license of such company. This principle which has brought forth twelve hours of heated controversy in the banking committee, is still in abeyance.

"Bill to Amend the Trust Companies Act": This bill is an embodiment of the third principle found in the proposed amendments to the loan companies act. It provides for the licensing of trust companies which come under the jurisdiction of the Dominion government, and the conditions of granting, the form, and power to cancel, are all identical with the act which is proposed for the loan companies. This act has not yet been considered by the committee but its fate will probably depend very largely upon the decision of the committee in regard to the loan companies act.

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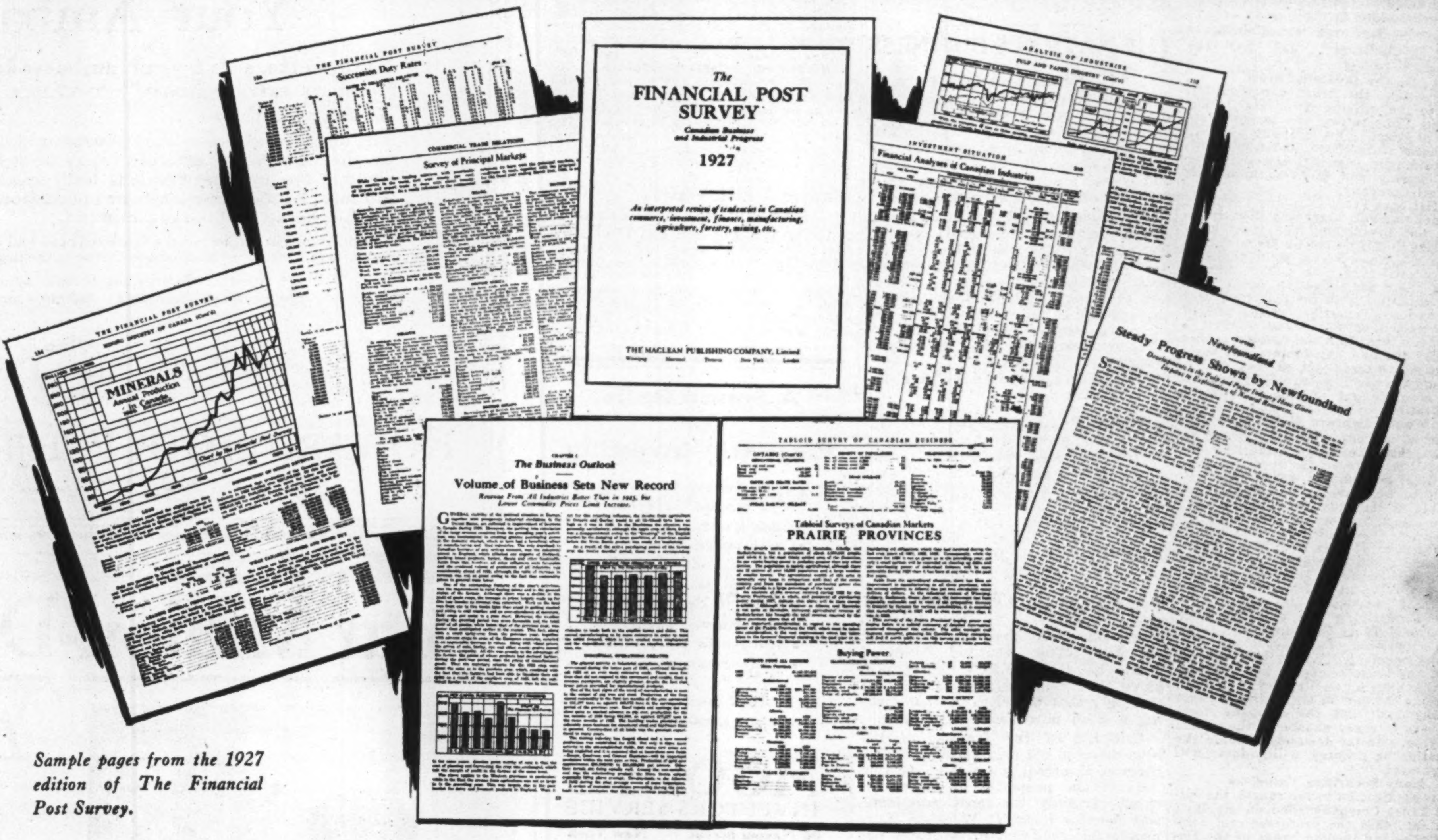
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NEW IMMIGRATION AGREEMENT WITH RAILWAYS MADE

Three-Year Extension Will Facilitate Movement of Europeans

The contract entered into in 1925 between the Department of Immigration and Colonization and the Canadian National and Canadian Pacific Railways, for facilitating the movement of immigrants from Europe to Canada, has now been extended a further three years, or until 1930, according to authoritative information received by the Financial Post.

Under this agreement, the railways are given the right to nominate immigrants on the other side for admission into Canada, provided that they come up to the requirements set by the Department. Furthermore, the railways are obligated to do a certain amount of aftercare for these newcomers so that they will not become a public charge.

Although this contract has only been in force a little over a year, results have shown its value. Last year more immigrants entered Canada than any other period in the past five years. While the railways were not responsible for moving all these people—about 146,000—a large percentage of them came forward under special permit.

The success of this method of handling immigration is due, in no small measure, to the colonization boards built up in Western and Eastern Canada by both railways. These boards are formed by local citizens in a district which is desirous of adding to its population. The residents of the district nominate or arrange for prepaid passage of relatives or friends on the other side whom they want to come to Canada. The applicant guarantees the nominee work for a period of at least twelve months at a minimum wage, usually around $25.00 a month and keep. The request is then transmitted to the Colonization Departments of the Railway, who in turn notify their agents in Britain or on the continent. The prospective immigrant is then examined and if found satisfactory, a railway "passport" is issued to him, which is in turn honored by the immigration department.

Through this network of colonization boards, the railways have been enabled to bring forward an unusually high type of settler, who are assured of work on their arrival. The boards are anxious to bring those people who are willing to work and who require only a small amount of assistance in order to enable them to become good citizens. The railways have backed up these organizations and, it is understood, the favorable results attending those immigrants brought out last year, has resulted in the nomination of a larger number for movement this year.

PEACE BRIDGE BOOMS OLD FORT ERIE

(Continued from page 9)

conservatively estimated that within the township of Bertie enough farms have been subdivided to provide a building lot for every family man in Buffalo and leave a few corner lots for groceries and gas stations.

It is obvious that these city lots which were farms last fall are not to have many houses on them, at least until every foot of waterfront property has been developed to the limit. It is a fact, also, that distances never appear so great on a map as they do on a speedometer.

A lot that is five miles inland from the Peace bridge is more than ten minutes from downtown Buffalo. A lot that was part of the most remote field of a farm which is measured from the waterfront is not going to be snapped up eagerly by a purchaser with money to build.

A man who is ready to build sees the lot on which he is putting the building material. It is only a man who is 200 or 1,000 miles away who buys unsight and unseen. Easterners own Alberta city land and Westerners exhibit tax receipts from Florida. Detroit and Pittsburgh are two places which have been mentioned as profitable markets for Peace bridge lots in Bertie township.

Township building lots sold to purchasers at a distance from Fort Erie and Buffalo would be an unhealthy feature of the development of the Peace bridge corner of the Niagara peninsula.

What of Industry?

Fort Erie and its immediate environs seem destined to attract residents of moderate means, the shore line will attract persons of greater wealth and there will be a few country estates along such highways as the Garrison road.

Also, there ought to be an industrial development of the community. The port of Bridgeburg — which, rather curiously, includes Fort Erie—is one of the most important of the inland ports of Canada, a greater proportion of the trade between Canada and the United States going over the International bridge at Bridgeburg. Bridgeburg's south boundary is Fort Erie's north boundary. The two places have a common sewage system, many common problems and a common destiny. They are, to all intents and purposes, one community, although a certain type of civic consciousness has been unable to recognize the fact that what is good for one is good for the other and vice versa.

This community of Fort Erie and Bridgeburg is well served by railroads and both the Canadian National and Michigan Central employ several hundred men who live in one or other of the two places. The railroads, in fact, are the backbone of the community, although there are several hundred citizens who earn their living in Buffalo.

There has been some industrial development in recent years in Bridgeburg and Fort Erie. With railroad facilities unexcelled, it would seem that there must be further development, especially of American branch factories where it is desirable to have the executive in close touch with the parent plant in Buffalo or other nearby American center. If this development comes the district may develop materially largely independent of the advantages accruing from the Peace bridge, in which event some of those back township lots, if within easy reach of the Bridgeburg or Fort Erie factory, may find a market among persons who actually wish to build a home.

Brazilian Preference, as Well as Common Seems Very Attractive

From Our Own Correspondent.

MONTREAL.—With all the recent activity and market appreciation of the common shares of the Brazilian Traction, Light and Power Co., only a few investors have paid any attention to the speculative possibilities of the preference stock of the company.

Brazilian preference is a 6 per cent. cumulative stock, but the speculative attraction in the security lies in the fact that at any time the shares may be converted into ordinary stock on the basis of one and one-fifth shares of preference stock for one share of common. In other words, the holder of six shares of Brazilian preference may at any time exchange six shares of preference for five common. The latest quotation of Brazilian preference is $112 per share. Six shares of the stock would cost $672. This figure compares with the present market valuation of five shares of common of about $650.

Equity Is Large

Thus, should an investor purchase six shares of Brazilian preference at $112 per share, and should Brazilian common touch $140 a share, the six shares of preference which cost $672 could be exchanged for five shares of common changing hands at $700.

Even neglecting the speculative attraction of the stock, the 6 per cent. preference shares look attractive at present prices in view of the large equity and earning power back of the issue, for there is only $10,000,000 of preference outstanding as compared with $106,000,000 of common. While the preference stock yields at present about 5.3 per cent. this low yield compares not unfavorably with many other securities in as strong an earning power and equity position as Brazilian preference—only some of the other securities have not the speculative attraction of Brazilian preference.

Geoffrion Opens Branch

MONTREAL.—The Montreal stock exchange house of Geoffrion and Company is to open a second office in the uptown business section of Montreal. The new branch will be under the maangement of Eric Reddy.

NEW ISSUE

Subscriptions have been received in excess of the amount of this issue

(Of this issue $2,000,000 has been withdrawn for sale in the United States)

$4,000,000

Abitibi Power & Paper Company, Limited

6% Gold Coupon Notes

To be dated March 15th, 1927. To mature March 15th, 1931. Principal and semi-annual interest (September 15th and March 15th) payable at any branch of The Royal Bank of Canada, in Canada, or, at the option of the holder, at The First National Bank of Chicago, Chicago, Illinois, or at The Farmers' Loan & Trust Company, in the City of New York, or at The Royal Bank of Canada, London, England. Coupon Notes of $1,000 and $500 denominations, with privilege of registration as to principal. Redeemable as a whole or in part on any interest date on sixty days' notice, at the option of the Company, with the following premiums: 2% if redeemed on or before March 15th, 1928; 1½% if redeemed thereafter and on or before March 15th, 1929; 1% if redeemed thereafter and on or before March 15th, 1930; ½ of 1% if redeemed thereafter and on or before September 15th, 1930, and thereafter at par until maturity; in each case with accrued interest. Trustee: Montreal Trust Company, Montreal.

CAPITALIZATION

As at December 31st, 1926, but including this issue of Notes, the Company's capitalization was as follows:—

Funded Debt	$8,943,600*
Four Year 6% Gold Coupon Notes, due 1931 (this issue)	4,000,000
Capital Stock:	
7% Cumulative Preferred Stock	1,000,000
Common Stock, no par value	250,000 shares

*Since December 31st, 1926, First Mortgage Bonds aggregating $292,500 have been paid and retired, and $134,310 has been paid to the Trust Company as sinking fund on General Mortgage Bonds.

Preferred and Common Shares ranking junior to these Notes have an indicated market value, based on current quotations on the New York and Montreal Stock Exchanges, in excess of $23,000,000. At current rates, dividends now being paid on the Company's Preferred and Common stock amount to $1,320,000 annually, or 5⅓ times the maximum interest charges on these Notes. Prior obligations are being progressively reduced through Sinking Fund and Serial payments of approximately $700,000 per annum. The Company covenants that, so long as any of the Notes remain outstanding, no further bonds or debentures secured by mortgage will be issued upon its property, unless such Notes are secured equally with such further bonds or debentures.

Complete circular, copies of which will be supplied upon request, contains a letter from Mr. Alexander Smith, President of the Company, from which the following is summarized:

THE COMPANY: Abitibi Power & Paper Company, Limited, one of the largest newsprint paper manufacturers in Canada, has been uniformly successful since its incorporation in 1914. Its properties, in northern Ontario, were originally acquired and have subsequently been added to and operated with careful regard to the factors essential to a low cost mill: large pulpwood reserves of high quality, ample water-power, ready access to large consuming markets, and satisfactory selling connections. The Company's potential resources, apparent from its inception, have been steadily developed. It owns today, directly or through its wholly-owned subsidiaries, a modern newsprint mill of an annual capacity of 160,000 tons, complete with its own sulphite and groundwood mills; a modern sulphite mill of an annual capacity of 50,000 to 60,000 tons; Crown timber limits estimated to contain not less than 13,000,000 cords of spruce pulpwood; and four hydro-electric power plants having a developed capacity of 115,000 H.P. Taken as a whole, these properties, located as they are and managed by a skilled organization, represent an industrial development which it would be difficult to duplicate, in view of the rapid decrease in the number of sites favourable for a successful newsprint operation.

ASSETS: Net tangible assets, after deduction of all funded debt and after deducting $10,510,077.57 of reserves, as shown by the Company's Balance Sheet at December 31st, 1926, and after giving effect to this financing, amount to $17,847,893.62 as against $4,000,000 of these Notes presently to be issued. The values at which fixed assets are carried on the Company's books are conservative.

EARNINGS: Net earnings, available for interest, depreciation, depletion and Dominion income taxes, for the five years ended December 31st, 1926, have been as follows:

1922	$3,614,837	1924	$4,385,552
1923	4,279,579	1925	4,240,337
1926	$4,254,594		

Average annual net earnings for the five-year period were, therefore, $4,154,979 or over 4.9 times annual interest charges on the Company's entire funded debt at December 31st, 1926, together with the interest on these Notes presently to be issued. In addition to earnings derived from operations, the Company now has other sources from which income may be expected in future. These comprise its ownership of the entire capital stock of Abitibi Fibre Company, Limited, and its investments in the capital stock of two affiliated newsprint manufacturing companies.

We offer these Notes for delivery if, as and when issued and received by us and subject to the approval of our counsel of all proceedings, at—

100 and accrued interest, to yield 6%

Royal Securities Corporation, Limited

Peabody, Houghteling & Co.

The above statements are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

Tenth Annual Report

BROMPTON PULP AND PAPER COMPANY LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Year Ending December 31st, 1926

EARNINGS:—		
After deducting Administrative Expense and Selling Expense		$1,240,954.90
Deduct:—		
Depreciation	$252,000.00	
Bond Interest	321,440.07	573,440.07
		$ 667,514.83
Deduct:—		
Brompton Preferred Stock Dividends	$160,000.00	
Brompton Common Stock Dividend	70,000.00	
Claremont Preferred Stock Dividends	17,500.00	247,500.00
Net Surplus for the Year		$ 420,014.83

Audited and Approved—

J. H. BRYCE, Certified Accountant.

CONSOLIDATED BALANCE SHEET

as at 31st December, 1926

ASSETS

CURRENT ASSETS—		
Cash	$ 252,774.53	
Accounts Receivable	1,255,712.12	
Bills Receivable	118,541.00	
Investments	312,836.18	
Inventory of Logs, Pulpwood, Paper, Mill Supplies and Advances on Wood Operations	4,008,060.59	
DEFERRED CHARGES:—		
Prepaid Insurance and Taxes	64,653.97	
Total Current Assets		$ 6,007,578.39
CAPITAL ASSETS—		
Freehold and Leasehold Timber Lands	$5,733,420.26	
Real Estate, Buildings, Water Powers, Mills, Warehouses, Equipment and including cost of Bond Refunding to be amortized annually during term of Bonds	14,704,987.29	20,438,407.55
		$26,445,985.94

AUDITOR'S REPORT

I have audited the accounts and vouchers of the Brompton Pulp and Paper Company, Limited, and its Associated Companies, for the year ending December 31st, 1926.

I have obtained all the information and explanations which I have required, and, in my opinion, this Balance Sheet is drawn up so as to exhibit a true and correct view of the state of the Company's affairs and the affairs of its Associated Companies, according to the best of my information and as shown by the books as on December 31st, 1926.

Approved on behalf of the board,

J. H. BRYCE,
Certified Accountant.

H. W. BEAUCLERK,
Director.

J. A. BOTHWELL,
Director.

LIABILITIES

CURRENT LIABILITIES—				
Bank Loans			$ 475,000.00	
Bills Payable			292,725.00	
Accounts Payable			746,661.73	
Accrued Charges, including Bond Interest, Pay Rolls and Inc. Tax			371,871.88	
Dividend on Brompton Common Stock, payable Jan. 15th, 1927			70,000.00	
Total Current Liabilities				$1,956,258.61
CAPITAL LIABILITIES—				
Bonds and Serial Notes—				
Brompton Pulp and Paper Co., Limited—				
First Consolidated (Closed Mortgage) Six Per Cent. Sinking Fund Bonds, Maturing 1935:				
Authorized		$2,000,000.00		
Redeemed		1,249,000.00	$ 751,000.00	
Six Per Cent. First and Refunding Mortgage, Sinking Fund Bonds, Maturing 1946:				
Authorized		$10,000,000.00		
Unissued		5,817,000.00	4,183,000.00	4,934,000.00
Groveton Paper Company, Inc.:—				
Six Per Cent. First Mortgage Gold Bonds, Maturing 1935:				
Authorized		$1,250,000.00		
Redeemed		100,000.00	1,150,000.00	
Serial Land Purchase Notes			400,000.00	1,550,000.00
RESERVES—				
Depreciation and Obsolescence			$3,141,576.78	
Bad Debts			35,398.83	3,176,975.61
CAPITAL STOCK—				
Brompton Pulp and Paper Company, Limited— —				
Preferred—Authorized and Issued 20,000 Eight Per Cent. Cumulative Shares of $100.00 each, fully paid			$2,000,000.00	
Common—Authorized 210,000 shares of no par value; issued and fully paid, 140,000 shares, no par value			7,000,000.00	
Claremont Paper Company, Inc.—				
Preferred—Authorized and Issued, 2,500 shares of $100.00 each			250,000.00	9,250,000.00
SURPLUS—				
As at December 31st, 1925			$5,158,736.89	
Add—Earnings for the year		$1,240,954.90		
Less—Depreciation	$ 252,000.00			
Bond Interest	321,440.07			
Brompton Preferred Dividends	160,000.00			
Brompton Common Dividend (Jan. 15th, 1927)	70,000.00			
Claremont Pref. Divids.	17,500.00	820,940.07	420,014.83	5,578,751.72
				$26,445,985.94

CONTINGENT LIABILITIES—	
McCrea-Wilson Lumber Co., Ltd., Bonds, accrued interest thereon, and Bank Loan	$1,268,575.00
Customers' Paper discounted	64,264.00

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS

Montreal, February 23rd, 1927.

Your Directors submit herewith the Consolidated Balance Sheet and Profit and Loss Account of the Company as at the 31st day of December, 1926.

After full allowance for Interest, Taxes, Depreciation, Preferred and Common Dividends, aggregating $820,940.07, the sum of $420,014.83 is added to the Credit of Profit and Loss Account. The Working Capital of the Company now stands at $4,051,319.78, an increase over 1925 of $380,821.66.

During the past year your Company sold on favourable terms $4,183,000, 6% First and Refunding Mortgage Bonds maturing in 1946, with the proceeds of which the outstanding 6% Bonds maturing in 1939 and the 8% Bonds maturing 1941 were retired. The sale of the new Bonds also provided funds for the installation of the newsprint mill at Bromptonville. This mill was erected in record time at a cost within the amount estimated. It is now operating satisfactorily, and the entire output of newsprint from your Company's mills at Bromptonville and East Angus for the year 1927 has been sold.

The net Profits shown during the past year are lower than those of 1925. This is accounted for by a reduction in the selling price of some of the products manufactured by the Company, and also from the fact that the Company was out of the Groundwood Market during the latter part of 1926, in order to accumulate stock for the newsprint mill at Bromptonville. All Groundwood made at this point will from now on be used in the newsprint mill and should materially increase the earnings of your Company.

At the Special General Meeting to be held immediately after the Annual Meeting, you will be asked to approve a By-law reducing the Company's capital by 1,200 Preferred Shares. These Shares have already been purchased by one of your subsidiary companies.

Your Directors wish to record the great loss which we sustained during the past year in the death of Mr. F. N. McCrea, who was President of this Company from its organization until his death, and in which capacity he rendered the most faithful service.

Your Board of Directors wish to express their sincere appreciation of the manner in which the staff and the entire organization have performed their duties.

Submitted on behalf of the Directors,

E. W. TOBIN, President.

Claim Trade Treaties Are Used by Ottawa to Effect Tariff Cuts

Twenty-two Countries Now Receive Concessions on Their Products

IMPORTS ARE GROWING

Duties Are Lowered on Manufactured Goods to Provide Outlet for Farm Products

CONSIDERABLE favorable discussion has been raised from time to time over the supposedly advantageous trade treaties affected with foreign countries by the Dominion Government. These have been held up by their sponsors as great steps forward in creating more extensive markets for Canadian products at little or no expense to the country.

Careful analysis of these treaties leads to the conclusion that by these treaties additional outlets are being created for agricultural products, not on any reciprocal basis but at the expense of the Canadian manufacturing industry. It is noticeable that when one of these agreements have been entered into, stress is laid upon the advantages which Canadians will have in marketing their wheat, flour, grains, dairy and other farm products but no reference is made to the general run of manufactured articles. On the other hand, concessions are minimized and an "official" statement issued to the effect that tariff reductions have been given for a few manufactured articles not produced in this country. It is probably true that all of the items mentioned in the treaty are not manufactured in the Dominion, but it is also true that a number are being produced in Canada and sold in competition with foreign countries.

Many Arguments in Force

At the present time, Canada has trade treaties with practically every country of any importance. Aside from the United Kingdom, which receives a very favorable treatment on manufactured articles, agreements have been entered into with the West Indies, British Honduras, British Guiana, Bermuda, Russia, British South Africa, Australia, New Zealand, France, Belgium, Netherlands; temporary arrangements with Czechoslovakia and Spain; and most favored nation treatment in tariff matters accorded to Norway, Sweden, Denmark, Switzerland, Argentine, Columbia and Venezuela, on account of treaties existing between these countries and the United Kingdom, which are applicable to Canada.

It is not the intention to enter into the merits or demerits of the treaties within the Empire, but with those nations which can be properly classified as foreign. The above list causes one to ponder over the wisdom of Ottawa's readiness to make trade treaties. A large number of the agreements have come into effect during the past five years and consequently it is difficult to show the actual trend of trade of the more recent ones. In the case of France, however, with which country a treaty has been in force since 1921, the returns have a particular significance. Since 1920, they are as follows:

Trade With France

Fiscal Years	Imports	Exports
1920	$10,630,865	$61,108,693
1921	19,138,062	27,428,308
1922	13,482,005	8,208,228
1923	12,264,921	14,118,577
1924	15,767,851	18,879,097
1925	18,460,625	10,290,063
1926	19,151,699	13,952,262

While 1920 cannot be taken as a normal year, owing to the usual condition prevailing then, returns since, covering periods of depression and trade revival, give a comprehensive idea of the manner in which this particular treaty has worked out. It will be noted that in the last four years imports from that country have steadily increased and in the fiscal year '26 were the largest ever recorded since 1868. Exports on the other hand have decreased. In other words, a favorable trade balance of over $8,000,000 in 1921 has been turned into an unfavorable balance of $5,000,000 and more.

Italy Gains Benefit

Lest it be said that the figures do not present a true picture of the effect of these treaties with foreign countries, the figures of Canadian trade with Italy for the same period is shown herewith:

Trade With Italy

Fiscal Years	Imports	Exports
1920	$ 999,040	$16,959,557
1921	1,745,330	57,758,343
1922	1,387,370	15,335,818
1923	1,601,225	12,073,332
1924	1,849,844	18,501,578
1925	1,930,492	14,142,975
1926	2,597,759	12,788,653

While trade with this country does not show the same remarkable about-face as that with France, it is worth while noting that, since 1920, imports have steadily increased from $999,040 to $2,597,759 last year, while on the credit side of the ledger one does not find a similar increase; rather is there a definite trend downward.

Details of the trade with those European countries with which this country has trade agreements, show that by far the largest proportion of exports consist of wheat, wheat flour, oats and other agricultural products. In a few instances fish and unmanufactured minerals have been important items. A small quantity of farm implements are shipped each year to France and Italy. Outside of this last item, no manufactured article of any importance is shipped to these treaty countries.

Competition for Domestic Goods

Canadian purchases, on the other hand, have largely consisted of products which could be profitably produced in Canada. From France the trade returns show heavy importations of dressed furs, silks, silk clothing, dress goods, worsted serges, artificial silk fabrics, cast iron pipe, while from Italy and Holland are secured artificial silk fabrics, binder twine, electric lamps, zinc, etc. A reduction from the general to intermediate tariff places has enabled the foreign producer to put these goods on the Canadian market at a price which often places the domestic manufacturer at a serious disadvantage. Moreover, if these products were made in this country that much more employment would be created and the money on their purchase retained in Canada.

The foregoing tend to show that European countries have been "fortunate" in making advantageous treaties at the expense of Canada. In the last year or two the French and Italian governments have taken active steps to see that their respective countries are not dependent upon outside agencies for their food supplies and are putting restrictions on imports so that domestic and colony production combined will fill all requirements. At the same time they are pushing sales of manufactured goods in such countries that have given them tariff reductions. This has been going on for sime time, yet Ottawa has not made any movement to demand a more favorable treatment for Canadian products. It is needless to ask how long the United States would allow these conditions to continue. Canada has found that out for herself, not once, but many times.

Treaty With Germany Proposed

Despite the unsatisfactory results of treaties with France, Italy and for that matter Switzerland and Holland, it seems that Ottawa is patting itself on the back and is even now making overtures looking towards the consummation of a trade agreement with Germany. Already the "advantages" of this treaty are being skilfully disseminated. Mention is made of the wonderful market in Germany for Canadian wheat flour, as per the voluminous shipments to Hamburg.

It is interesting to recall at this point that when the Czechoslovakia trade treaty had been arranged, the usual fan-flare was made of the benefits to be derived by Canada. This country was said to be a market for wheat flour, amounting in value to $10,000,000 per annum and that a further growth in this trade was to be expected as a result of the treaty. Reference to the returns of the Department of Trade and Commerce proved the fallacy of this statement and when opposition to the treaty arose, Ottawa issued another statement to the effect that flour exports to Slovakia entered that country through the free port of Hamburg. Ottawa, however, conveniently overlooked the fact that Hamburg is a great distributing centre for Germany and all central Europe and that it was an extremely tricky matter to determine the quantity of flour which reached Slovakia.

Government Satisfies Adherents

Two months ago the budget was brought down in the house and the absence of any tariff changes was looked upon favorably, being taken as an indication that there was a halt to tariff cuts. But the tariff is being cut; the means used is the negotiation of trade treaties that give us agricultural markets at the expense of Canadian industry.

New Mill in Nova Scotia

A pulp and paper development involving an expenditure of $500,000 has been commenced on the limits on the Medway River in Nova Scotia, formerly owned by Frank H. Browne, but now taken over by the Scott Paper Company, of Chester, Pa. It is understood that a paper mill will be established at Bridgewater, N. S., and the pulp manufactured into paper products.

SAYS BANKS WILL WORK OUT SYSTEM OF ZONING AREAS

(Continued from page 15)

change was completed in 1923, when the system of government inspection was inaugurated with the appointment of the inspector-general.

Mr. Wilson affirmed that, while this move palliated the outcry at that time for a government inspection, he did not agree with the idea because, in the event of a bank failure or any irregularity, the government would have to assume the responsibility.

Branch Banking Proved Boon

Branch banking proved a boon to Canada in assisting the banks to weather the storm of the inflation period following the war. It is a distinct advantage over the unit system of national banking, because it enabled the transfer of moneys from a district such as the Niagara peninsula, where depositing is predominant, to the western provinces in which are located the loaning centres of the farmers. The unit system of American banking made it impossible for such a course of action and, because of that inability, declared Mr. Wilson, 2,000 of the banks in the western states foundered in the slump which followed inflation.

The War Finance Act of Canada, which was drawn up by Sir Thomas White, minister of finance in 1914, gives Canadian banks the same privileges, the same opportunities, and has the same effect as the Federal Reserve Bank of the United States. Mr. Wilson paid a glowing tribute to Sir Thomas White for the courage he showed in establishing this measure. Despite the fact that it was contrary to all the principles of banking and politics, at a time when everyone was in a state of nervousness and apprehension, it was the only measure which could have saved the banking situation.

Says It's Now Top-heavy

Mr. Wilson asserted that, due to the gigantic branch building programme which the banks had put into effect immediately at the close of the war, the branch system has become top-heavy. To right the condition, he stated, the elimination of the unproductive branches was a necessity. That Canada is over-banked can be seen, he said, from the fact that, while in Great Britain there is one bank for every 5,200 people, Canada has a bank for every 2,300 population. This is the reason, he said, why Canadian banks are operating under such a tremendous overhead.

"I think that the banks will get together and establish a zoning system," continued Mr. Wilson, "through which they will agree to let a certain bank which was pioneer in a given section have squatter rights with regard to the further establishment of branches. This will result in a big saving, and I am positive that the staffs are the ones who will greatly benefit from it.

"They must pay staffs better wages in the future. I don't hesitate to tell you that the salaries of bankers have never been up to the mark. Furthermore, the head offices are beginning to realize that if they want to attract the right type of young men and girls to follow the banking profession, and retain those now in their employ, they must pay them better than in the past. It costs the bank a tremendous amount of money when their old employees leave them, because all the money spent in training them is lost. The staff, after all, is the best asset a bank has, even though it doesn't show up on the balance sheet."

HOW ACTUARIES DETERMINE LIFE INSURANCE RATE

(Continued from page 14)

health work, particularly at the younger and middle ages of life. This improvement has, of course, resulted in a reduction in the cost of insurance. While it is true that a company can to some extent control its mortality by stringently selecting its risks it would soon hear from its agents and competition pretty much compels the companies to maintain about the same standards of selection.

In so far as the rate of interest is concerned, as previously mentioned, the first consideration is safety of principal and the second to obtain as high a yield as possible consistent with the first. Between the company, which, for example, invested all its funds in government bonds and the one which held only, say preferred stocks, a considerable difference in their respective rates of interest earned would exist. The latter would obviously be higher, although allowance would have to be made for the larger losses which the latter would experience, and the slightly higher rate of investment expense, which it would have. As a matter of fact the investments of the different companies are distributed in pretty much the same proportions among the various classes of securities.

In any event the rate earned has always exceeded that assumed in the premium calculations. It should be remembered that in determining premium rates the company has to make assumptions as to what rate of interest it can safely count on earning over the succeeding fifty or one hundred years.

(2) The next item is the sales cost. This consists of salaries and commissions to salesmen and sales training and supervision cost, and advertising, etc.

The usual method of paying the salesman is to allow him a substantial rate of commission on the first year's premium and a comparatively small rate of commission on the subsequent nine or, in some cases fourteen, premiums, the salesman receiving approximately one-half of his total remuneration on the first premium. I do not think it can be said with any justification that the commissions which the life insurance companies pay their salesmen are exorbitant, or that they exceed the amounts necessary to attract the right type of men to the business. In common with other sales forces, there will, of course, always be the exceptional man who will do extremely well.

(3) The third item, the balance of the expenses, are what we have termed administrative expenses and include such items as head office and branch office salaries, rent, light, heat, printing and all the sundry expenses involved, medical fees, legal fees, and last, but not least, governmental taxes. The opportunity cannot be let pass of pointing out the injustice of a great many of the taxes which the life insurance companies are required to pay. Particularly so is the tax upon premiums which, in the final analysis, is a tax upon the thrifty wage earner of moderate means who carries life insurance, and who should be exempted from a tax on his income. The tax cost is a substantial part of the cost of life insurance.

(4) Coming to the fourth item—the profit available for shareholders and policyholders—we see that it therefore depends entirely on the extent to which the actual mortality, interest and expense differs from that assumed in the calculations of the premiums. In so far as non-participating policies are concerned it must be considered as part of the cost of insurance. In the case of participating policies only that part of the profit which is retained by the shareholders can be considered as part of the cost, the part returned to the policyholder really constituting one of the benefits under the policy.

In either case it is extremely small and, as previously mentioned, it shows a tendency to decrease.

To summarize, the cost of life insurance may roughly be analyzed as follows:

85 per cent. of the gross premiums paid to cover the net cost of the benefits granted (including the profit).

7 per cent. to cover sales cost.

7 per cent. to cover administrative cost.

1 per cent. to cover return to shareholders.

This latter is, of course, the difference between the premiums actually paid and the amount thereof required to cover the first three items.

Montreal Tramways Company

SIXTEENTH ANNUAL REPORT

For the Fiscal Year Ended December 31st, 1926

REPORT OF THE PRESIDENT AND DIRECTORS

For the Year Ended December 31st, 1926

TO THE SHAREHOLDERS:—

Your Directors beg to submit their Annual Report for the year 1926, showing the results obtained from the operations under the Contract with the City, and the share of the Gross Revenue accruing to the Company under the provisions of the Contract and the disposition of same.

The operations under the Contract show the following results for the year:—

Revenue:			
Passenger Earnings		$12,573,383.35	
Miscellaneous Earnings		317,425.30	
Autobus Service:			
Gross Revenue	$414,049.23		
Less Interest on Investment and Operating Expenses and other charges	405,255.57		
Net Revenue		8,793.66	
Gross Revenue		$12,899,602.31	
Expenditures:			
Operating Expenses and Taxes	$6,582,974.40		
Operating Profit (to the Company)	55,276.47		
Maintenance and Renewals	2,870,229.41		
Total Operating Expenses		9,508,480.28	
Net Earnings			$3,391,122.03
Distribution of Net Earnings:			
To the Company:			
For Return upon Capital Value:			
6% on $36,286,295.00		$ 2,177,177.70	
*Interest on additional Capital Expenditures		460,336.76	
Interest on Working Capital		3,915.04	
Total		$ 2,641,429.50	
Which together with the Operating Profit of $55,276.47 and interest on investment in Autobus Service of $32,916.25, constitutes the Company's Revenue from the Contract.			
For Expense of Financing—(½ of 1%) of the sum of $36,286,295.00 is allowed annually to the Company to cover the expense incurred in procuring additional capital. This amount is carried direct to "Reserve for Financing"		181,431.47	
To the City of Montreal:			
Rental for the period 12 months ended December 31st, 1926		500,000.00	
Balance		68,261.06	
			$3,391,122.03

*The additional return of 1% per annum provided by the Contract payable for a period extending not more than five years beyond the close of the World War, was discontinued September 30th, 1926.

REVENUE ACCRUING TO THE COMPANY

The Gross Revenue for the year accruing to your Company from the Operations under the Contract, together with the Miscellaneous Revenue from other sources, has been distributed as follows:—

Revenue:		
Allowances from Contract:		
Return upon Capital Value		$2,641,429.50
Interest on Investment in Autobus Service		32,916.25
Operating Profit		55,276.47
Other Revenue (Outside of Contract)		76,103.86
Total Revenue		$2,805,726.08
Expenditures:		
Interest on Bonds and Loans	$2,118,060.21	
Other Expenses	8,506.61	
Total Expenses		2,126,566.82
Net Income		$ 679,159.26
Less Dividends:		
2½% for the quarter ended Mar. 31st, 1926	$ 100,000.00	
2½% for the quarter ended June 30th, 1926	100,000.00	
2½% for the quarter ended Sept. 30th, 1926	100,000.00	
2½% for the quarter ended Dec. 31st, 1926	100,000.00	
Total		$ 400,000.00
Surplus for the year		$ 279,159.26
Add Surplus at December 31st, 1925		1,014,037.91
General Surplus		$1,293,197.17

The above figures represent substantial gains, and your Directors consider that in view of the many new features introduced into the operations of the Company during the year, the results obtained are satisfactory.

During the year $1,000,000 of the Common Stock of the Company was issued to the Shareholders at a price of $125 per share, Shareholders receiving one share of new Stock for each four shares held at the close of business on 15th October, 1926. There has been paid in on account of this issue $649,718.75. The balance due becomes payable on the 31st March, 1927.

AUTOBUS SERVICE

Owing to the popularity of the Autobus Service the Company is now operating ten autobus routes in the City and environs.

During the fiscal year the number of buses in operation has been increased from 24 to 55, and ten additional buses, each having a seating capacity of 33 passengers, have been ordered for delivery early in February.

In order to provide for the proper housing and maintenance of the Company's autobuses a large extension to the St. Henry Garage was completed during the year, this garage now having capacity for 85 vehicles under cover.

Your Directors, however, desire to point out that the Autobus Service is only on trial and that the increased service is given with a view of meeting the wishes of the public and in an endeavour to relieve the traffic congestion.

GENERAL

In accordance with the Company's desire to improve existing conditions for the benefit of the travelling public, a new Tramways Terminal with Waiting Room and conveniences has been erected at Cartierville.

The Mount Royal Car Barns together with Repair Shops, referred to in last year's report, have been in satisfactory operation since the beginning of the year, and have greatly facilitated and improved the Company's operating conditions.

The Company has made material improvements and extensions to its power distributon system, including the installation of automatic switchboard at its St. Laurent Sub-Station and the erection of an entirely new automatic Sub-Station at Verdun. In the Verdun Station the equipment installed is the first of its kind in Canada.

Many improvements to the Company's system have been made at Hochelaga and the work of electrically interconnecting the various Stations of the Company by means of high tension cables has been energetically pushed forward.

Your Directors are now pleased to report that the proposed reorganization of the Employees' Mutual Benefit Association came into effect as of the first of May last, following a thorough study and discussion of the scheme by the employees. Under this arrangement the employees are now provided with substantial Sick and Injury benefits; Pension and Death benefits, in keeping with present-day conditions. This readjustment has met with the appreciation of the employees, and will tend to further augment the good feeling and mutual co-operation already existing with the Company.

During the year the agreement with the employees covering their wage schedule was extended upon the same conditions to July 1st, 1930.

In view of the continuing increase in population, and the resulting traffic congestion which, unless provided for, will tend to become still further emphasized, your Company, together with the Montreal Tramways Commission, has continued to give serious study toward means of devising a definite plan which would not only materially relieve the present congestion, but would adequately make provision for future conditions.

Your Directors expect in due course to submit to the civic authorities a general plan of improvement, embracing subways and elevated railways, which, together with the other means at the disposal of the Company, will provide efficient and rapid transportation which the growth of the City may demand.

We are pleased to record that the relations existing between the authorities of the City of Montreal, the Montreal Tramways Commission and the Management of the Company have continued satisfactorily during the year.

Submitted on behalf of the Board of Directors.

JULIAN C. SMITH,
President.

GENERAL BALANCE SHEET, December 31st, 1926

ASSETS

Fixed Assets:—			
Cost of Road and Equipment		$41,124,209.37	
Track Construction		3,125,262.19	
Electric Construction		1,069,557.47	
General Construction		39,183.77	
Real Estate and Buildings		2,099,949.15	
Rolling Stock		1,493,966.14	
Power Plants		1,323,466.32	
Tools and Machinery		36,767.99	
Miscellaneous Equipment		236,578.76	
Office Furniture		9,197.73	
		$50,558,138.89	
Less amount received a/c Terminal Railway		250,000.00	
			$50,308,138.89
Investments			29,435.71
Current Assets—			
Cash in Bank and on hand		$ 536,298.16	
Call Loans		480,000.00	
Guarantee Fund		500,000.00	
Accounts Receivable		53,159.22	
Stores		591,745.28	
			$ 2,161,202.66
N.B.—The Contract provides that there shall be paid annually into a Contingent Reserve Fund 1% of the Gross Revenues until such Fund shall amount to $500,000.00. There has accrued to Contingent Reserve Fund since the commencement of the Contract to Dec. 31st, 1926	$500,000.00		
Less earned to date	68,261.06		
Balance unearned	$431,738.94		
which amount or any portion thereof will only be payable when sufficient Revenues are received from the operations of the Contract over all prior charges under the Contract.			
			$52,498,777.26

Verified:—

SHARP, MILNE & CO., C.A., Auditors.

LIABILITIES

Fixed Liabilities—			
Capital Stock (Common)		$4,000,000.00	
Advance Payment on New Stock		519,775.00	
First and Refunding Mortgage 5% Gold Bonds, due July 1st, 1941.			
Authorized	$25,000.000		
Issued and Outstanding		21,351,000.00	
General and Refunding Mortgage Sinking Fund 5% Gold Bonds, due April 1st, 1955.			
Series "A" Authorized and Issued		17,826,500.00	
Series "B" Authorized	$ 5,000,000		
Issued and Outstanding		2,500,000.00	
Mortgages		145,843.00	
			$46,343,118.00
Current Liabilities—			
Loans		$ 50,000.00	
Accounts and Wages Payable		705,884.67	
Accrued Interest		254,226.12	
Employees' Securities		26,015.55	
Unclaimed Dividends		1,956.57	
Unredeemed Tickets		1,006,287.78	
Suspense Account		472,393.84	
Dividend payable January 15th, 1927		100,000.00	
City Rental, quarter ended Dec. 31st, 1926		125,000.00	
			2,741,764.53
Reserve Account		$1,000,000.00	
Maintenance and Renewals Reserve		500,000.00	
Reserve for Financing		329,110.86	
Depreciation Reserve, Autobus		93,381.89	
Contingent Reserve Account		68,261.06	
Surplus—			
As on December 31st, 1925	$1,014,037.91		
Add—			
For the year ended December 31st. 1926	279,159.26		
		1,293,197.17	
Premium on New Stock		129,943.75	
			3,413,894.73
			$52,498,777.26

Approved on behalf of the Directors:
HOWARD MURRAY,
WM. C. FINLEY, } Directors.

Certified Correct:—
H. E. SMITH,
Comptroller.